

THE CANDLELIGHTERS TRUST

**Charity Registration No. 1045077
Company Registration No. 3020552**

**TRUSTEES' REPORT
AND
FINANCIAL STATEMENTS**

For the year ended 28 February 2023



THE CANDLELIGHTERS TRUST
Annual report and financial statements for the year ended 28 February 2023

Contents

Page:

1	Legal and administrative information
3	Report of the Trustees
15	Statement of Trustees' responsibilities
16	Report of the independent auditors
20	Consolidated statement of financial activities (incorporating statutory income & expenditure account)
21	Balance sheets
22	Cash flow statement
24	Notes to the financial statements

THE CANDLELIGHTERS TRUST
Legal and administrative information

Patron

Lady Emma Ingilby

Clinical (including Medical) Trustees

M Elliott

E M Richards

C De Biase

J Goodden

S Wilkins

J White (appointed 28/09/2022)

Lay Trustees

K Hardcastle (Chair)

S Redman (resigned 28/09/2022)

S Patterson

D Mayman

G Felgate

M Shipley (appointed 28/09/2022)

Finance and Audit Committee

K Hardcastle

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

E M Richards

C De Biase

Family Support Committee (commenced October 2022)

J White

S Wilkins

G Felgate

S Redman (non-trustee)

N Shaw (non-trustee)

E Every (non-trustee)

THE CANDLELIGHTERS TRUST

Legal and administrative information (continued)

Key management personnel/Senior Management Team:

E Wragg	Chief Executive
L C Fletcher	Chief Operating Officer 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

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:

Virgin Money
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 2023

The Trustees present their report and audited accounts for the year ended 28 February 2023. 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

Each year over 150 children in Yorkshire are diagnosed with cancer. When a child is diagnosed, lives are turned upside down instantly: not just for the child but the entire family. Getting well again can be a long and challenging journey, emotionally, physically, and financially. Supporting children and families throughout that journey is why our charity, Candlelighters, was formed more than 40 years ago. Our mission is to bring light to every family affected by childhood cancer across Yorkshire by providing emotional, practical and financial support, as well as bringing hope, by investing in vital research to improve the outcomes and lives of children with cancer.

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.

Family Support Workers

Candlelighters have a team of five family support workers who are at the hospital six days a week to make this difficult time a little easier for families. They work incredibly hard to make the wards and clinic feel less clinical and more enjoyable, bringing some comfort and fun to the hospital environment. From 7:30am to 7:30pm the team are around to support families on a one-to-one basis, provide fun group activities, sit with children to allow parents a break and to help families access vital support through Candlelighters.

.THE CANDLELIGHTERS TRUST

Report of the Trustees for the year ended 28 February 2023 (continued)

OBJECTIVES AND ACTIVITIES FOR PUBLIC BENEFIT (continued)

Candlelighters @ The Square

Candlelighters @ The Square is our family support centre that 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 variety of support has evolved from family feedback over the past seven years.

The centre is open Monday to Friday 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' support groups
- 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.

Providing care closer to home

Candlelighters in Your Community

Candlelighters in Your Community provides locally based support for families to ensure that everyone has access to support closer to home should they need it. We have a team of four support workers who work across communities in Yorkshire. Each community support worker has a case load of families and aims to provide financial, emotional and practical support closer to home, whether that be through helping the family to access Candlelighters services or more appropriate services that are available in the area that the family live. The model has only been established for the last three years and is continuing to evolve ensuring we can best meet the needs of families across Yorkshire.

Regional Outreach Play Specialists

Candlelighters funds two outreach play specialists. 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 specialists liaise 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.

Bolus Chemotherapy Specialist

During the financial year Candlelighters approved funding for a Clinical Nurse Specialist to ensure the continuation of the bolus chemotherapy service, which enables chemotherapy to be delivered at home, to patients who have been receiving this service as a result of COVID-19 and also to expand the service to more patients.

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 four ensuite bedrooms in addition to Eckersley House which is part funded by Candlelighters as below.

THE CANDLELIGHTERS TRUST

Report of the Trustees for the year ended 28 February 2023 (continued)

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.

Holiday breaks

Each year approximately 200 families are able to take a holiday provided by Candlelighters at various holiday resort locations in the UK. The holiday provides a crucial 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 also 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.

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. In 2022 the Charity approved the application to fund a Youth Activity Co-ordinator who will be based solely on Ward 33 supporting teenage patients. Once in post the role will plan peer support activities and support patients on a one-to-one basis to promote their continued emotional and psychological development through treatment.

Hospital equipment and environment

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. In 2022, Candlelighters also supported the hospital by refurbishing the staff rooms at the paediatric haematology and oncology departments of the hospital.

Paediatric Radiographer

Funding is provided to support a specialised paediatric radiographer role 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

Candlelighters provides funding for two playleaders to provide support for the Oncology Play Team at Leeds Children's Hospital. 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 Play Team ensure consistency in play and preparation across the wards and the clinic and provide 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 allows for there to be a seven day a week play service for patients on the wards.

Speech and Language Therapist ("SLT")

Candlelighters fund 0.1 WTE (Working Time Equivalent) 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 the SLT including a direct phone line and use of virtual calls as appropriate.

THE CANDLELIGHTERS TRUST

Report of the Trustees for the year ended 28 February 2023 (continued)

OBJECTIVES AND ACTIVITIES FOR PUBLIC BENEFIT (continued)

Dinner Supervisor

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 Supervisor 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. During this time, we took the opportunity to work alongside other parties to review the service and it was decided that the service would be best provided by one organisation with expertise in social work delivery. Following ongoing discussions with another charity it was decided that Young Lives Vs Cancer would provide social work support for families from October 2022. As a result of these changes, Candlelighters has been able to invest in the development of its community support workers to enhance the wrap around support offered to families in partnership with the social work team and outreach nursing team.

Current Research Grants

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

- We continued our long term funding of 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 2021 reinforced its value and, on the back of this, last year Candlelighters committed to a number of years future funding which fully funds maintaining the Register as well as dedicated resource for statistical analysis of the Register data. During this financial year, an exercise relating to a historical funding period showed £40,000 would not be utilised due to staff vacancies and less consumables cost than expected, therefore this amount was released from the grant.
- Funding continued for 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 which was the first position of its kind at Leeds.
- Candlelighters funded a pilot study to whether a new blood test could shorten the duration of treatment meaning less time in hospital.

The Charity continued progressing the strategic objective of awarding funding for a new leading research programme in Supportive Care resulting in improved quality of life for children affected by childhood cancer. This is expected to impact the financial statements for next financial year.

THE CANDLELIGHTERS TRUST
Report of the Trustees for the year ended 28 February 2023 (continued)

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**

The Charity continued to experience very challenging conditions during the financial year. Whilst the impact of COVID-19 had reduced with restrictions on fundraising activity lifted for the majority of the year, the cost of living crisis put a significant squeeze on the finances of supporters. This is demonstrated by Community income of £646,014 in the financial year which was £41,915 lower than the previous year despite the prior year activity significantly impacted by COVID-19.

Corporate income improved slightly and was £535,169 (£45,543 higher than prior year). Approximately £170,000 of this total was from one generous Corporate supporter.

Last year was the first year of our Major Donor fundraising initiative and in the financial year we saw income grow from the programme to £73,677 from £50,000 in the previous financial year.

Trust and foundation income was significantly higher than the challenging previous year and was £301,667 (2022: £105,450) and included one donation of £100,000 to go towards the costs of the holidays we provide families.

Legacy income was £400,060 compared to £3,568 in the prior year. Alongside a number of significant legacies, we received a further donation from the exceptional Joyce Mary Mountain Will Trust legacy of £250,000. This was in addition to the £650,000 received in the year ended 28 February 2021.

The above contributed to overall total income of £2,143,542 (2022: £1,457,364).

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 decreased by £101,712 from £2,100,661 to £1,998,949.

The cost of raising funds of £471,349 was £44,168 higher than prior year. This increase is largely due to staff costs in line with expectations as we filled vacancies resulting from the restructure during COVID-19. This restructure was in order to strengthen and diversify our fundraising to protect the Charity from reducing traditional sources of income.

Charitable activities expenditure decreased by £145,880 from £1,673,480 to £1,527,600. The main factor behind the reduction is net major grant expenditure decreasing by £447,497 from £620,585 to £173,088. This is due to the prior year including a significant research grant of £371,551. We also experienced some releases from grant commitments due to costs not being as high as originally expected in the funding period mainly due to vacancies and absence in the roles funded.

Offsetting this reduction is a return to a cost base more in line with pre-pandemic levels but also, like many organisations, experiencing immense pressure from inflation. In the prior year, COVID-19 was still heavily affecting our ability to provide family support in the way we would like to. In the year we invested in the Family Support team to have more presence at the hospital and also running the Square which could be fully open again (front line family support staff costs increased by £59,394). Generally we were able to run much more activities and groups (£21,487 increase in support groups and information) and we had a full year of being able to offer family holidays again (£87,310 increase). Like many Charities, we saw a greater demand on our services which was a factor in a £31,350 increase in Family financial support provided as well as a £22,516 increase in expenditure on hospital equipment and support.

As the Charity has rebuilt to levels pre-COVID-19, other support and back office costs have also had to keep pace to ensure robust and effective management and governance of the Charity; this includes an increase in charity management and central staff costs of £57,869. The Charity strives to keep administrative costs to a minimum to ensure efficient use of resources.

FINANCIAL REVIEW (continued)

• **Expenditure (continued)**

Inflationary pressures have significantly impacted the Charity. In particular, energy bills at our premises including the Square and the Candlelighters Cottage but also the vast majority of other areas of our expenditure. Inflation has also meant we have had to increase wage amounts to some degree in order to retain and attract the necessary professionalism and talent for the Charity to best serve the families affected by childhood cancer. We regularly benchmark the salary of all the Charity's roles and this benchmarking is specific to the charitable sector rather than an index that includes other sectors.

Going forward we plan to continue to evolve and develop the services we provide to families. This, coupled with continuing inflation, means we expect expenditure to increase. However, we are currently undertaking a review of all the services we provide to families to ensure that we are meeting the needs of families in the best possible way and at the right time. This also means that due to the challenging fundraising environment, that if our income cannot sustain the cost base, we are well placed to reduce expenditure but ensure we direct the Charity's resources to the most effective areas as possible.

• **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. 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 2023 the Working Capital Portfolio had a market value of £532,560. The portfolio produced an annual estimated gross income of £15,160, which is equivalent to a gross yield of 2.85%.

Over the period 1 March 2022 to 28 February 2023 the Working Capital Portfolio made a total -6.19% (loss). This compares to a total return in the market benchmark (MSCI WMA Conservative Index) of -6.19% (loss).

As at 28 February 2023, the General Trust Portfolio, which has a medium-risk investment profile with a long-term investment horizon, was valued at £3,214,216. The portfolio produced an annual estimated gross income of £90,159 which is equivalent to a gross yield of 2.80%. Over the period 1 March 2022 to 28 February 2023 the General Trust Portfolio made a total return of -2.16% (loss). This compares to a total return in the market benchmark (MSCI WMA Income Index) of -2.28% (loss). Over this period the FTSE ALL Share Index recorded a total return of +7.30% and the FT Government Securities Index made a total return of -20.32% (loss).

It was a difficult financial year for investment performance. The main challenge was the performance of the bonds held within both portfolios. In a highly inflationary environment bonds underperformed significantly with the FT Government Securities Index recording a total return of -20.32% (loss). Equities did provide positive returns over the year, however not to a sufficient extent to offset the weakness seen in bonds. Overall therefore there was a net investment loss of £211,315 in the financial year.

The remaining current assets of the Charity of £355,459 as at 28 February 2023 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 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 impact of the cost of living crisis is making the fundraising environment very challenging and also putting pressure on the cost base of the Charity from inflation and demand for the Charity's services. 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 particular, we are budgeting a significant deficit for next financial year ending 28 February 2024. This is, in part, due to the expected major funding commitment to the new leading research programme in Supportive Care.

THE CANDLELIGHTERS TRUST
Report of the Trustees for the year ended 28 February 2023 (continued)

FINANCIAL REVIEW (continued)

- **Reserves policy (continued)**

In February 2023 the Trustees reaffirmed the 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.

Free reserves at the end of the financial year are £1,673,099 so within the target range. The free reserve is budgeted to reduce in the 2023/2024 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

It is vital that Candlelighters ensures it meets the needs of the children, young people and families in the best way possible and to this end it will be engaging with all of its stakeholders in the financial year ending February 2024 to gather insight and help shape future services and plans.

Candlelighters is also looking forward to:

- Officially launching the brand new Candlelighters Supportive Care Research Centre and commencing an appeal to raise the vital funds to support this £1 million project
- Listening to our families and stakeholders; using their feedback to help develop our support in the future
- Reviewing our eligibility criteria to ensure it is clear, simple and in line with the core purpose of the Charity
- Developing care closer to home, including the introduction of a new bolus chemotherapy role
- Refurbishing the clinic and wards in the paediatric haematology and oncology department within the hospital
- Continuing to transform as a charity, ensuring we have the right technology to improve family, supporter and volunteer journeys
- Commencing our Equality, Diversity & Inclusivity review to better understand and meet the needs of everyone the Charity supports
- Continuing to diversify our income streams, to help support the work of Candlelighters now and in the future.

We are pleased to note that these commitments are in line with our 2020/2025 strategy:

- 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.

After pausing larger strategic priorities during COVID-19, Candlelighters is delighted to report key elements of its current 5-year strategy coming to fruition, including the launch of its brand new Candlelighters Supportive Care Research Centre in November 2023; to save lives, reduce suffering and bring hope. Candlelighters recognises that this project is essential, not just to impact care in Yorkshire but also across the world, and despite the economic challenges, we must forge ahead with this research to make a difference to the lives of the children who are so deeply affected by the side effects of cancer treatments. We will therefore be launching a £1 million appeal to fund the costs of this vital programme.

This year, the Family Support Committee will be analysing research undertaken with families and stakeholders to help inform future decisions about how best to support children, young people and their families. As part of this review, we will also be looking at the Charity's eligibility criteria to ensure it is fit for purpose moving forwards.

Candlelighters continues to be conscious and mindful of the challenges which lie ahead; the uncertainty in income generation and the additional demand on our services and increased grant applications submitted to the Charity from the hospital due to increased restraints on NHS budgets. The fundraising environment is very challenging and this, coupled with the huge pressure on our cost base, means a recent reforecast anticipated free reserves to fall well below our target level of £1.5 million to £2.0 million by the end of 2023/2024. To address this shortfall in free reserves, we need to de-designate approximately £445k reserves from the Candlelighters Supportive Care Research Centre. We are continuing to protect and grow existing income streams as well as explore new sources of funding in order to replenish free reserves and get them to a more sustainable level to respond to ongoing commitments and best serve the needs of families.

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.

THE CANDLELIGHTERS TRUST

Report of the Trustees for the year ended 28 February 2023 (continued)

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. Of the current six clinical Trustees, four are Consultants, one is a Lead Nurse and one is a Specialist Physiotherapist.

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 decide the broad strategy and areas of activity including grant making, administration, reserves and risk management. 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 was paid during the year. One Trustee received expenses in line with the Charity's volunteer policy for costs directly incurred in relation to a fundraising event the Trustee organised.

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, however, the risk culture and the processes embedded in the Charity mean there is ongoing identification and monitoring of risks and there are systems and procedures in place 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.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

- **Grant making policy**

Research Grants

The Charity funds research to improve the lives and outcomes for children and adolescents diagnosed with cancer. 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 must 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.

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) must 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. Specific additional training is provided annually to Fundraising staff on The Code of Fundraising Practice.

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 2023, Candlelighters received three complaints relating to fundraising which were promptly investigated and 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 2023 (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 and signed on its behalf by:



L Fletcher, Company Secretary

Date: 4th October 2023

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



E M Richards
Trustee

Date: 4th October 2023

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 2023 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 2023, 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.

THE CANDLELIGHTERS TRUST

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

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: *20th October 2023*

THE CANDLELIGHTERS TRUST (Company number 3020552)
Consolidated statement of financial activities for the year ended 28 February 2023
(incorporating statutory income & expenditure account)

		Unrestricted funds - core	Unrestricted funds - Exceptional legacy	Restricted funds	2023 Total funds	2022 Total funds
	Notes	£	£	£	£	£
INCOME AND ENDOWMENTS FROM						
Donations and legacies:						
Donations and grants	3	1,236,172	-	336,869	1,573,041	1,335,737
Branch fundraising events		49,139	-	3,003	52,142	7,496
Legacies	4	145,060	250,000	5,000	400,060	3,568
Trading activities – sale of goods		8,387	-	-	8,387	11,244
Investment income	5	109,912	-	-	109,912	99,319
Total income and Endowments		1,548,670	250,000	344,872	2,143,542	1,457,364
Expenditure on						
Raising funds	6	471,349	-	-	471,349	427,181
Charitable activities	7	1,229,303	-	298,297	1,527,600	1,673,480
Total expenditure	9	1,700,652	-	298,297	1,998,949	2,100,661
NET INCOME/ (EXPENDITURE) FOR THE YEAR BEFORE TRANSFERS		(151,982)	250,000	46,575	144,593	(643,297)
Transfers to restricted reserve	23	(10,729)	-	10,729	-	-
NET INCOME/ (EXPENDITURE) FOR THE YEAR AFTER TRANSFERS		(162,711)	250,000	57,304	144,593	(643,297)
Net Gains and Losses						
Gains/(losses) on fixed and current asset investments						
Realised		5,467	-	-	5,467	50,860
Unrealised		(216,782)	-	-	(216,782)	(39,832)
Net movement in funds		(374,026)	250,000	57,304	(66,722)	(632,269)
		(124,026)				
RECONCILIATION OF FUNDS						
Balances brought forward at 1 March 2022		3,224,802	-	327,843	3,552,645	4,184,914
TOTAL FUNDS CARRIED FORWARD AT 28 February 2023	23	3,100,776	-	385,147	3,485,923	3,552,645

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 24 to 43 form part of these financial statements.

THE CANDLELIGHTERS TRUST (Company number 3020552)
Balance sheet at 28 February 2023

		Group		Charity	
	Note	2023 £	2022 £	2023 £	2022 £
Fixed assets					
Tangible fixed assets	12	525,897	555,530	525,897	555,530
Investments	13	3,214,216	3,397,347	3,241,023	3,424,154
		<u>3,740,113</u>	<u>3,952,877</u>	<u>3,766,920</u>	<u>3,979,684</u>
Current assets					
Stock		18,148	15,633	18,148	15,633
Debtors	14	43,227	50,616	43,227	50,616
Investments	15	532,560	565,013	532,560	565,013
Branch funds		39,750	35,705	39,750	35,705
Cash at bank and in hand		254,334	480,243	254,334	480,243
		<u>888,019</u>	<u>1,147,210</u>	<u>888,019</u>	<u>1,147,210</u>
Liabilities: amounts falling due within one year					
Grant awards	16	(780,187)	(746,469)	(780,187)	(746,469)
Other	16	(82,310)	(77,620)	(109,117)	(104,427)
		<u>25,522</u>	<u>323,121</u>	<u>(1,285)</u>	<u>296,314</u>
Net current assets/(liabilities)					
		<u>25,522</u>	<u>323,121</u>	<u>(1,285)</u>	<u>296,314</u>
Total assets less current liabilities		<u>3,765,635</u>	<u>4,275,998</u>	<u>3,765,635</u>	<u>4,275,998</u>
Liabilities: amounts falling due after more than one year					
Grant awards	17	(279,712)	(723,353)	(279,712)	(723,353)
		<u>£3,485,923</u>	<u>£3,552,645</u>	<u>£3,485,923</u>	<u>£3,552,645</u>
Net assets	19				
		<u>£3,485,923</u>	<u>£3,552,645</u>	<u>£3,485,923</u>	<u>£3,552,645</u>
Funds of the Charity					
Unrestricted - free charitable reserve	23	1,673,099	1,577,306	1,673,099	1,577,306
Unrestricted – fixed assets reserve	23	525,897	555,530	525,897	555,530
Unrestricted- designated: Supportive Care	23	700,269	746,166	700,269	746,166
Unrestricted- designated: digital	23	101,511	145,800	101,511	145,800
Unrestricted- designated: New Children's Hospital	23	-	100,000	-	100,000
Unrestricted- designated: Research Pot	23	100,000	100,000	100,000	100,000
Restricted	23	385,147	327,843	385,147	327,843
		<u>£3,485,923</u>	<u>£3,552,645</u>	<u>£3,485,923</u>	<u>£3,552,645</u>
Total funds	23	<u>£3,485,923</u>	<u>£3,552,645</u>	<u>£3,485,923</u>	<u>£3,552,645</u>

Approved by the board of Trustees on 4th October 2023 and signed on its behalf by:

K Hardcastle (Chair - Trustee)

E M Richards (Trustee)

The notes on pages 24 to 43 form part of these financial statements.

THE CANDLELIGHTERS TRUST
Consolidated Cash Flow Statement
For the year ended 28 February 2023

		2023	2022
	Note	£	£
Cash flows from operating activities:			
Cash generated from/ (used in) operations	a	<u>(358,865)</u>	<u>(396,951)</u>
Net cash generated from/ (used in) operating activities		<u>(358,865)</u>	<u>(396,951)</u>
Cash flows from investing activities:			
Purchase of tangible fixed assets		(10,800)	(7,207)
Purchase of investments		(328,803)	(683,831)
Sale of investments		366,692	708,682
Investment income		109,912	99,319
Net cash (used in)/ generated from investing activities		<u>137,001</u>	<u>116,963</u>
Change in cash and cash equivalents in the reporting period		<u>(221,864)</u>	<u>(279,988)</u>
Cash and cash equivalents at the beginning of the reporting period		<u>515,948</u>	<u>795,936</u>
Cash and cash equivalents at the end of the reporting period	b	<u><u>£294,084</u></u>	<u><u>£515,948</u></u>

The notes on pages 24 to 43 form part of these financial statements.

THE CANDLELIGHTERS TRUST
Consolidated Cash Flow Statement Notes
For the year ended 28 February 2023

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

	2023 £	2022 £
Net movement in funds for the reporting period (as per the statement of financial activities)	(66,722)	(632,269)
Adjustments for:		
Depreciation charges	40,433	43,003
Loss on disposal of tangible fixed assets	-	6,053
Net unrealised (gains)/losses on investments	216,782	39,832
Net realised (gains)/losses on investments	(5,467)	(50,860)
(Increase)/ decrease in cash held within investments	(33,620)	10,100
Investment income	(109,912)	(99,319)
(Increase)/decrease in stock	(2,515)	(606)
(Increase)/decrease in debtors	7,389	19,201
Increase/(decrease) in creditors	(405,233)	267,914
Net cash generated from/ (used in) operating activities	<u>£(358,865)</u>	<u>£(396,951)</u>

b. COMPOSITION OF CASH AND CASH EQUIVALENTS

	2023 £	2022 £
Branch funds	39,750	35,705
Cash at bank and in hand	254,334	480,243
Cash and cash equivalents	<u>£294,084</u>	<u>£515,948</u>

The notes on pages 24 to 43 form part of these financial statements.

THE CANDLELIGHTERS TRUST

Notes to the financial statements for the year ended 28 February 2023

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.

THE CANDLELIGHTERS TRUST

Notes to the financial statements for the year ended 28 February 2023 (continued)

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.

Income from government and other grants is recognised at fair value when the Charity has entitlement after any performance conditions have been met, it is probable that the income will be received and the amount can be measured reliably. If entitlement is not met then these amounts are deferred.

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.

THE CANDLELIGHTERS TRUST

Notes to the financial statements for the year ended 28 February 2023 (continued)

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.

With the exception of those tangible fixed assets which are held at an impaired value, 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 TRUS

Notes to the financial statements for the year ended 28 February 2023 (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 £	2023 Total £	2022 Total £
Community	586,221	59,793	646,014	687,929
Major Donor	73,677	-	73,677	50,000
Corporate	534,309	860	535,169	489,626
Trusts and Foundations	41,965	259,702	301,667	105,450
Government Grants	-	16,514	16,514	2,732
	<u>£1,236,172</u>	<u>£336,869</u>	<u>£1,573,041</u>	<u>£1,335,737</u>
<i>Total 2022</i>	<u>£1,186,674</u>	<u>£149,063</u>	<u>£1,335,737</u>	

Of the £16,514 Government grants, £13,825 (2022: £1,500) is from the government "kickstart" job opportunity initiative and £nil (2022: £1,232) is from the Job Retention Scheme received for members of staff on furlough.

4 Legacies

	Unrestricted Funds - Core £	Unrestricted Funds – Exceptional legacy £	Restricted Funds £	2023 Total £	2022 Total £
Legacies	145,060	250,000	5,000	400,060	3,568
	<u>£145,060</u>	<u>£250,000</u>	<u>£5,000</u>	<u>£400,060</u>	<u>£3,568</u>
<i>Total 2022</i>	<u>£3,568</u>	<u>-</u>	<u>-</u>	<u>£3,568</u>	

The £250,000 exceptional legacy relates to a second legacy donation from the Joyce Mary Mountain Will Trust. This is in addition to the £650,000 exceptional legacy donation recorded in the year ended 28 February 2021 financial statements. There are no specific restrictions on the use of the funding.

THE CANDLELIGHTERS TRUST

Notes to the financial statements for the year ended 28 February 2023 (continued)

5 Investment Income

	Unrestricted Funds £	Restricted Funds £	2023 Total £	2022 Total £
Income from listed investments	109,912	-	109,912	99,319
Bank and other interest	-	-	-	-
	<u>£109,912</u>	<u>-</u>	<u>£109,912</u>	<u>£99,319</u>
<i>Total 2022</i>	<u>£99,319</u>	<u>-</u>	<u>£99,319</u>	

6 Costs of Raising Funds

	Unrestricted Funds £	Restricted Funds £	2023 Total £	2022 Total £
Postage	2,168	-	2,168	2,459
Newsletter	7,794	-	7,794	18,809
Fundraising expenses	62,561	-	62,561	58,049
Opening stock	15,633	-	15,633	15,027
Cost of merchandise sold	6,426	-	6,426	5,517
Closing stock	(18,148)	-	(18,148)	(15,633)
IT costs	7,824	-	7,824	10,209
Banking and platform charges	15,115	-	15,115	15,797
Website costs	12,432	-	12,432	12,000
Branch fundraising costs	216	-	216	44
Investment management costs	24,489	-	24,489	26,493
Staff training	1,878	-	1,878	4,998
Waverley premises costs	27,547	-	27,547	24,382
Support costs				
Apportioned staff costs	305,414	-	305,414	249,030
	<u>£471,349</u>	<u>-</u>	<u>£471,349</u>	<u>£427,181</u>
<i>Total 2022</i>	<u>£413,176</u>	<u>£14,005</u>	<u>£427,181</u>	

THE CANDLELIGHTERS TRUST

Notes to the financial statements for the year ended 28 February 2023 (continued)

7 Charitable Activities

	Unrestricted Funds £	Restricted Funds £	2023 Total £	2022 Total £
<i>Research grants</i>				
Total grants awarded (see note 24)	-	1,261	1,261	371,551
Grants no longer required (see note 24)	(44,003)	-	(44,003)	-
<i>Other grants</i>				
Total grants awarded (see note 24)	300,959	-	300,959	259,821
Grants no longer required (see note 24)	(85,129)	-	(85,129)	(10,787)
<i>Other charitable activities</i>				
Family financial support	127,175	11,615	138,790	107,260
Support groups and parent information	35,796	25,089	60,885	39,398
Holidays for families	18,507	113,882	132,389	45,079
Recruitment costs	17,816	-	17,816	36,972
Hospital Equipment and support	22,020	9,869	31,889	9,373
Brandon cottage costs	5,532	10,000	15,532	9,709
Depreciation of Brandon cottage and fittings	9,829	-	9,829	11,780
<i>@The Square</i>				
- Running costs	53,808	4,522	58,330	49,943
- Depreciation of The Square	22,530	-	22,530	22,530
- Wellbeing treatments and support	78,018	15,556	93,574	85,865
- Front line staff costs	249,346	92,677	342,023	288,508
- Staff costs covered by government grants	-	6,913	6,913	1,034
- Other family support costs	5,577	-	5,577	-
<i>Support costs</i>				
Depreciation	8,074	-	8,074	8,693
Loss on disposal of fixed assets	-	-	-	6,053
IT costs	26,842	-	26,842	10,208
Other support costs	19,863	-	19,863	16,752
Auditors' remuneration – payroll services	2,231	-	2,231	1,588
Other staff costs- charity management and central support of charitable activities	329,686	-	329,686	278,532
Staff costs covered by government grants	-	6,913	6,913	198
Governance costs (note 8)	24,826	-	24,826	23,420
	£1,229,303	£298,297	£1,527,600	£1,673,480
<i>Total 2022</i>	£1,133,151	£540,329	£1,673,480	

THE CANDLELIGHTERS TRUST

Notes to the financial statements for the year ended 28 February 2023 (continued)

8 Governance Costs

	Unrestricted Funds £	Restricted Funds £	2023 Total £	2022 Total £
Auditors' remuneration	10,445	-	10,445	8,465
Legal and professional	5,468	-	5,468	7,061
Apportioned staff costs	7,000	-	7,000	7,000
Meetings	1,913	-	1,913	894
	<u>£24,826</u>	<u>-</u>	<u>£24,826</u>	<u>£23,420</u>
 <i>Total 2022</i>	 <u>£21,802</u>	 <u>£1,618</u>	 <u>£23,420</u>	

9 Expenditure

	Staff Costs £	Depreciation £	Other Costs £	2023 Total £	2022 Total £
Costs of raising funds	305,414	-	165,935	471,349	427,181
Charitable activities (excluding governance)	685,535	40,433	776,806	1,502,774	1,650,060
Governance costs	7,000	-	17,826	24,826	23,420
	<u>£997,949</u>	<u>£40,433</u>	<u>£960,567</u>	<u>£1,998,949</u>	<u>£2,100,661</u>
 <i>Total 2022</i>	 <u>£824,302</u>	 <u>£43,003</u>	 <u>£1,233,356</u>	 <u>£2,100,661</u>	

10 Staff Costs

	2023 £	2022 £
Wages and salaries	884,237	735,482
Social security costs	76,221	60,153
Pension costs	37,491	28,667
	<u>£997,949</u>	<u>£824,302</u>

THE CANDLELIGHTERS TRUST**Notes to the financial statements for the year ended 28 February 2023 (continued)****10 Staff Costs (continued)**

The total employment costs to the Charity of the key management personnel during the year were £315,604 (2022: £297,546). These amounts are total staff costs and therefore include social security costs and employer's contributions to pension schemes.

The average number of key management personnel, senior management team during the year was 6 (2022: 6).

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.

Expenses reimbursed to trustees in the year totalled £216 (2022: £nil). These expenses were reimbursed to 1 of the trustees for expenses incurred when undertaking a fundraising event.

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 £120 (2022: £677).

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

	2023 Number	2022 Number
In the band £60,001 - £70,000	-	1
In the band £70,001 - £80,000	1	-
	<u> </u>	<u> </u>

Pension contributions of £1,193 (2022: £nil) were paid by the Charity for the above employee.

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

	2023 Number	2022 Number
Administration, management, fundraising and charitable expenditure support	36	28
	<u> </u>	<u> </u>

The average full time equivalent of employees during the year was 33.2 (2022: 26.0). The breakdown of employees per department was as follows:

	2023 Number	2022 Number
Fundraising staff	9.7	8.4
Front line support staff	14.3	10.1
Charity management and central	9.2	7.5
	<u> </u>	<u> </u>
	33.2	26.0
	<u> </u>	<u> </u>

THE CANDLELIGHTERS TRUST

Notes to the financial statements for the year ended 28 February 2023 (continued)

11 Comparatives for the Statement of Financial Activities

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

THE CANDLELIGHTERS TRUST

Notes to the financial statements for the year ended 28 February 2023 (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 2022	635,279	225,303	326,539	114,890	51,031	1,353,042
Additions	-	-	-	-	10,800	10,800
Disposals	-	-	-	-	-	-
As at 28 February 2023	635,279	225,303	326,539	114,890	61,831	1,363,842
Accumulated depreciation and impairments						
As at 1 March 2022	222,779	180,264	326,539	47,505	20,425	797,512
Charge for the year	-	22,530	-	9,829	8,074	40,433
Eliminated on disposal	-	-	-	-	-	-
As at 28 February 2023	222,779	202,794	326,539	57,334	28,499	837,945
Net book value						
At 28 February 2023	£412,500	£22,509	£ -	£57,556	£33,332	£525,897
<i>At 28 February 2022</i>	<i>£412,500</i>	<i>£45,039</i>	<i>£ -</i>	<i>£67,385</i>	<i>£30,606</i>	<i>£555,530</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. Given the latest expected timing of the new children's hospital and current property values, a carrying value representing market value of £412,500 is deemed most appropriate.

THE CANDLELIGHTERS TRUST

Notes to the financial statements for the year ended 28 February 2023 (continued)

13 Fixed Asset Investments

	Group £	Charity £
Quoted investments		
Market value at 1 March 2022	3,379,345	3,379,345
Additions	287,249	287,249
Disposals	(326,995)	(326,995)
Net unrealised gains	(176,634)	(176,634)
	<hr/>	<hr/>
	3,162,965	3,162,965
 Cash at bank awaiting re-investment	 51,251	 51,251
 Subsidiary undertaking: cost	 -	 26,807
	<hr/>	<hr/>
 Market value at 28 February 2023	 £3,214,216	 £3,241,023
	<hr/>	<hr/>
 Historical cost as at 28 February 2023	 £3,056,461	 £3,083,268
	<hr/>	<hr/>

At 28 February 2023 and 28 February 2022, no individual investment represented more than 5% of the total 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.

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.

THE CANDLELIGHTERS TRUST

Notes to the financial statements for the year ended 28 February 2023 (continued)

13 Fixed Asset Investments (continued)

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 2023 £	2022 £	Charity 2023 £	2022 £
Amounts falling due within one year:				
Accrued legacy income	26,242	5,000	26,242	5,000
Prepayments and other accrued income	16,985	45,616	16,985	45,616
	£43,227	£50,616	£43,227	£50,616

15 Current Asset Investments

	Group 2023 £	2022 £	Charity 2023 £	2022 £
Listed investments	532,560	565,013	532,560	565,013
	£532,560	£565,013	£532,560	£565,013

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 2023 (continued)

16 Liabilities: Amounts Falling Due Within One Year

	Group 2023 £	2022 £	Charity 2023 £	2022 £
Creditors in the ordinary course of activities	22,335	31,058	22,335	31,058
Amount owed to subsidiary	-	-	26,807	26,807
Accruals	21,401	14,344	21,401	14,344
Social security	24,498	19,124	24,498	19,124
Other creditors	14,076	13,094	14,076	13,094
	<u>82,310</u>	<u>77,620</u>	<u>109,117</u>	<u>104,427</u>
Grant awards	<u>780,187</u>	<u>746,469</u>	<u>780,187</u>	<u>746,469</u>
	<u><u>£862,497</u></u>	<u><u>£824,089</u></u>	<u><u>£889,304</u></u>	<u><u>£850,896</u></u>

17 Liabilities: Amounts Falling Due After More Than One Year

	Group 2023 £	2022 £	Charity 2023 £	2022 £
Grant awards	<u><u>£279,712</u></u>	<u><u>£723,353</u></u>	<u><u>£279,712</u></u>	<u><u>£723,353</u></u>

18 Reconciliation of Grants Awarded

Group and Charity

	2023 £	2022 £
Opening liability obligation	1,469,822	1,227,320
Grants awarded in the year (note 24)	302,220	631,372
Provisions no longer required (note 24)	(129,132)	(10,787)
Paid during the year	(583,010)	(378,083)
Closing liability obligation	<u><u>£1,059,900</u></u>	<u><u>£1,469,822</u></u>

THE CANDLELIGHTERS TRUST**Notes to the financial statements for the year ended 28 February 2023 (continued)****19 Analysis of Group Assets between Funds**

	Restricted Funds £	General Funds £	Total Funds £
Tangible fixed assets	-	525,897	525,897
Fixed asset investments	-	3,214,216	3,214,216
Other current assets	385,146	502,873	888,019
Liabilities	-	(1,142,209)	(1,142,209)
	<hr/>	<hr/>	<hr/>
Net assets at 28 February 2023	£385,146	£3,100,777	£3,485,923
	<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 2023 (continued)
23 Movements in Funds
Movements in Funds- current year

	At 1 March 2022	Incoming Resources	Resources Expended	Restriction Full filled	Other Transfers	Other Gains & Losses	At 28 February 2023
<u>Unrestricted funds</u>							
Free Charitable Reserve	1,577,306	1,798,670	(1,615,930)	33,275	91,093	(211,315)	1,673,099
Fixed assets reserve (note 12)	555,530	-	(40,433)	-	10,800	-	525,897
Designated Funds- Digital	145,800	-	(44,289)	-	-	-	101,511
Designated Funds-Supportive Care	746,166	-	-	-	(45,897)	-	700,269
Designated Funds-Research Pot	100,000	-	-	-	-	-	100,000
Designated Funds- New Children's Hospital	100,000	-	-	-	(100,000)	-	-
<u>Restricted Funds</u>							
Research Fund	253,834	3,154	(1,261)	-	44,004	-	299,731
Children in Need- Twin Vision	11,693	-	(1,104)	-	-	-	10,589
Movement for Good	7,455	-	(7,455)	-	-	-	-
Harry and Mary	6,808	10,000	(6,808)	-	-	-	10,000
Clay Days	22,653	50,000	(53,077)	-	-	-	19,576
NHS Charities together	-	39,600	(39,600)	-	-	-	-
Ken & Lynne Morrison Trust	-	100,000	(100,000)	-	-	-	-
Mazars	-	15,000	-	-	-	-	15,000
UPS	-	12,329	(11,284)	-	-	-	1,045
Susie P Foundation	-	10,000	(10,000)	-	-	-	-
Bettys	1,712	-	(1,712)	-	-	-	-
Other	23,688	104,789	(65,996)	(33,275)	-	-	29,206
Total	£3,552,645	£2,143,542	£(1,998,949)	£ -	£ -	£(211,315)	£3,485,923

THE CANDLELIGHTERS TRUST

Notes to the financial statements for the year ended 28 February 2023 (continued)

23 Movements in Funds (continued)

Movements in Funds- prior 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	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	-	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

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 fund represents an amount from the annual Yorkshire Charity Clay Days event in 2021 where we received £60,000 in the year ended 28 February 2022 restricted to the salary costs of three Family Support Workers for a year. In addition, during the year ended 28 February 2023, we received £50,000 from the 2022 event restricted to the salary costs for two Community Support Workers for one 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 2022 financial year to support core costs during COVID-19.

During the financial year the Ken and Lynne Morrison Charitable Trust donated £100,000 which is restricted to funding family holidays.

The £15,000 received from Mazars in the year is restricted towards children's talking therapies.

The UPS fund reflects a donation received in the year restricted to Christmas grants for families, children's talking therapies and family holidays.

The Susie P Foundation have agreed to fund £10,000 per annum for three years restricted towards the costs of the Candlelighters Cottage.

The Bettys fund reflects a donation from Bettys restricted towards 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 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.

23 Movements in Funds (continued)

Designated Funds (continued)

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 intended total investment in the programme is £1.0 million over 5 years. Whilst the expectation was always that we would attract funding to support the programme to ensure free reserves were necessarily replenished, when the initial designation was made, £1.0 million of reserves was allocated taking into account the restricted research reserve. Given the subsequent further investment in the Yorkshire Register research programme of which there is also a £248,000 Contingent liability (see note 27), the deterioration in economic conditions and increased demand on our services, if we do not receive funding for the Supportive Care programme, we are forecast to have to reduce the planned investment. In fact, subsequent to the year end, the Board have de-designated a significant amount of the Supportive Care reserve in order to bring back free reserves in line with the reserves policy.

The Research Pot designated fund is the amount of reserves designated for other research beyond restricted and designated amounts. The Board reduced the amount of designated reserve to the Research Pot in the prior year due to recent research commitments made and the level of designated reserve for research specifically into Supportive Care.

During the prior financial year the Board designated £100,000 of funds in order to start building the reserves to go towards the support and spend associated with the new Leeds Children's Hospital which, at the time, had an expected completion date of 2026. Subsequently there was some doubt about when and if the project would be going ahead so, given this uncertainty, in February 2023 the Board de-designated the initial reserves the Charity had started to set aside. In May 2023 the Secretary of State announced that the new children's hospital in Leeds would go ahead, however, the expected completion is now by 2030. Whilst therefore the new children's hospital is very much a factor in the Charity's strategic thinking and use of reserves, it is considered too early to designate funds at this stage. Furthermore, given the period between now and 2030, the Charity will also consider potential expenditure required to continue to support and enhance families experience of the current children's hospital and Candlelighters premises.

THE CANDLELIGHTERS TRUST

Notes to the financial statements for the year ended 28 February 2023 (continued)

24 Grants Awarded	2023 £	2022 £
<u>Research grants</u>		
Sue Burchill research event travel	1,261	
Yorkshire Register – 5 year period	-	371,551
	£1,261	£371,551
<u>General grants</u>		
Outreach Play Specialists - 3 year period	-	66,292
Eckersley House	10,000	15,000
Social Workers - 6 month extension	-	154,610
Paediatric Radiographer – 1 year period	25,800	23,919
Playleaders – 1 year extension	70,900	-
Lead Nurse – 2 year period	70,097	-
Youth Activity Co-ordinator – 3 year period	67,000	-
Outreach Chemotherapy worker – 2 year period	57,162	-
	£300,959	£259,821
Total	£302,220	£631,372

In addition to the grants awarded there was a £129,132 (2022: £10,787) release in the year for historic funding awards not utilised meaning grant provisions were no longer required. The main grants this related to were the Playleader funding (£75,838 release) and the Yorkshire Register (£40,000 release). The full funding award was not utilised for these grants mainly due to staff vacancies and absence for roles funded therefore costs were lower than originally applied for.

25 Controlling Party

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

THE CANDLELIGHTERS TRUST**Notes to the financial statements for the year ended 28 February 2023 (continued)**

26 Operating Lease Commitments

At 28 February 2023, the Charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2023	2022
	Total	Total
	£	£
Within 1 year	30,008	29,630
Between 1 and 5 years	14,392	40,216

27 Contingent assets and liabilities

At the year end the Charity had been notified of one residual legacy (2022: None) which could not be measured reliably; however, is expected to be a few thousand pounds based on information to date. This has not been included in the financial statements.

At the year end, the Charity had contingent liabilities totalling £248,000 (2022: £248,000) 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.