

KIDSCAN LIMITED

REPORT AND FINANCIAL STATEMENTS

Year ended 31 July 2022

Company Registration Number: 04279954

Charity Number: 1094946

KIDSCAN LIMITED

Financial Statements

Year ended 31 July 2022

Contents	Page
Members of the board and professional advisers	3
Trustees' annual report	4 - 9
Statement of trustees' responsibilities	10
Independent auditor's report	11 - 14
Statement of financial activities	15
Balance sheet	16
Statement of cash flows	17
Notes to the financial statements	18 - 26

KIDSCAN LIMITED

Members of the Board and Professional Advisers

The board of trustees

S B Tattum (Resigned 27/10/21)
A White (Resigned 10/11/21)
J Radcliff
R P Dennis
S Duckworth (Resigned 27/10/21)
D K Mosley (Appointed 20/12/21)
E L McMurtry (Appointed 20/12/21)
J S Lea (Appointed 20/12/21)
K Perera (Appointed 23/3/22)
S L Thorp (Appointed 13/7/2022)

Company secretary

J Radcliff

Scientific committee

Dr G Bermano
Dr D Baiz
Robert Falconer
Dr P Di Fazio
Dr G McDowell
Dr A Noseda
Prof A Sala
Prof M Slevin
Dr S Verma
Dr I Pike (Appointed 20/09/21)
C Quinn (Appointed 20/09/21)
Prof J Sweeney (Appointed 20/09/21)

Scientific director

Dr D Pye

Registered office

Alumni House
Acton Square
Salford
M5 4NY

Auditors

Mitchell Charlesworth (Audit) Limited
Chartered Accountants
Statutory Auditor
3rd Floor
44 Peter Street
Manchester
M2 5GP

Bankers

Barclays Bank plc
PO Box 357
5th Floor
Mosley Street
Manchester
M60 2AU

KIDSCAN LIMITED

Report of the Trustees

Year ended 31 July 2022

The Trustees (who are also directors of the company for the purposes of the Companies Act) present their Annual Report together with the audited financial statements of Kidscan Limited (the Charitable Company or Charity) for the year ended 31 July 2022. The Trustees confirm that the Annual Report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charity's governing document, and the provisions of the Statement of Recommended Practice (SORP), applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK (FRS 102, effective 1 January 2019).

The trustees

The trustees who served the charity during the period were as follows:

S B Tattum (Resigned 27/10/21)
A White (Resigned 10/11/21)
J Radcliff
R P Dennis
S Duckworth (Resigned 27/10/21)
D K Mosley (Appointed 20/12/21)
E L McMurtry (Appointed 20/12/21)
J S Lea (Appointed 20/12/21)
K Perera (Appointed 23/3/22)
S L Thorp (Appointed 13/7/2022)

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The company was incorporated by Memorandum and Articles of Association dated 31 August 2001 as amended by special resolutions dated 2 October 2002 and 3 December 2002. The company is limited by guarantee and has no share capital.

Legal status

The company is registered as a charity under the Charities Act 2011 and its registered number with the Charity Commission is 1094946.

Organisation

The charity is managed by a board of trustees who are also directors of the company. Trustees are appointed for a period of five years after which they must be re-elected at the annual general meeting. Potential new trustees are identified by the members of the board based on their skills and standing within the community.

The trustees meet on a quarterly basis (or more often if required) to discuss and approve fundraising and expenditure. The day-to-day running of the charity is split between the Head of Operations and the Scientific Director (Science) ensuring that the team continues to develop its skills and working practices in line with best practice.

A Scientific Committee reports directly to the board of trustees. The membership of this committee is chosen from recognised experts in cancer research from both the UK and internationally. The scientific committee makes recommendations to the board based on medical/scientific need and the quality of the proposed work.

Trustee induction and training

All trustees receive advice and information on their roles in the organisation and administration of the charity. The Charity Commission Guide for trustees is provided to each member.

KIDSCAN LIMITED

Report of the Trustees

Year ended 31 July 2022

Related parties

The work of Kidscan is part of an international drive to provide new and improved treatments for children with cancer. Kidscan is represented on a number of national and international bodies through the membership of the Scientific Director.

Risk management and financial controls

The board of trustees has considered the risks to which the charity may be exposed. Fundraising strategy is developed and monitored by the trustees at the board meetings. Expenditure is allocated by the trustees at the Board meetings. Any external risk to the funding of the research is covered by the diversity of the activities applied to the fundraising. Internally, tight controls are applied to the administrative side of the operation to ensure cost effectiveness and compliance with procedures across all aspects of the charity. The charity benefits from the use of the financial procedures of the University of Salford. The University makes no charge for these. In addition, the University provides, free of charge, office space for the charity.

Chair's Report

My name is Jeremy Lea, I am the new Chair of the Board of Trustees for Kidscan Children's Cancer Research. It is still a difficult time for all charities especially smaller ones such as Kidscan. Despite this all involved with the charity remain committed and I wish to express my own thanks and gratitude to our Board of Trustees, executive team, volunteers, ambassadors, patrons and of course supporters. We continue to support Kidscan and the children's cancer research which we fund. This year and in coming years we will need to redouble our efforts to work to support children's cancer research.

Our vision remains that at Kidscan, our work on Children's Cancer Research is vital and must continue to exist to ensure that young people not only survive cancer, but have the chance to thrive after it. As expected Covid continued to adversely affect fundraising and we maintain that we need to be mindful that this will impact charities such as Kidscan.

Cancer remains one of the leading causes of death in children aged 1-15 years in the UK (Source: Office for National Statistics). Of those diagnosed, 20% of children won't make it to their 30th birthday (Office for National Statistics). Many of the children who do survive, suffer life-long, life-limiting side effects caused by the treatments used to cure them.

Kidscan receives no statutory funding, but with the contributions from Individuals, general public, grants and businesses we fund dedicated research to develop new treatments that will not only cure children with cancer, but also prevent the side effects of current treatments such as learning difficulties, mobility issues and infertility, which are resultant side-effects of current treatments.

As a lot of treatments used on children are effectively 'watered down' adult treatments. These treatments are designed to target rapidly developing cells normally seen as cancer cells in adults, which are visually seen in aspects such as hair growth and immune systems. In children rapidly developing cells are a normal process of a young person's growth, hence, when being treated for their cancer with these drugs, they often suffer much more severe side-effects, including long term issues, as these normal, healthy cells are also targeted through the treatment.

Being commercially disadvantageous, Children's cancer research is grossly underfunded and under resourced by pharmaceutical companies as they view the investment needed will not provide an adequate return. In addition major national cancer charities also focus their efforts on adult cancer research rather than those associated with children. A consequence is a talent drain of researchers in this area. At Kidscan we want to reduce and hopefully mitigate these adverse effects.

The need to support Kidscan Children's Cancer Research really comes to the fore when reading our amazing young Ambassador's stories, which can be found on our website here <https://kidscan.org.uk/people-category/ambassadors/>

KIDSCAN LIMITED

Report of the Trustees

Year ended 31 July 2022

The charity income continues to be adversely impacted with the cost of living crisis now hitting hard. We will continue to seek operating cost reductions where possible but will also seek to accelerate income generation by greater targeted fund raising activities. The Board has added members with strong fund raising skills as well as extensive contacts to aid our growth. Their guidance and support will prove vital over the coming years. In order to maximize the Trustees time, our board meetings are now quarterly but we have formed sub-committees where Trustees can apply their skills more directly.

The Trustees have continued to strengthen our governance, risk policies and procedures within the charity, which are based on adapting best practice throughout. These have continually refined in line with current legal and HR guidelines.

Our thanks go out to our Independent Scientific Committee, who are a key part of what we do and how we recognise and award leading research into Children's Cancer. We are a member of the AMRC, which is the Association of Medical Research Charities, a membership organisation dedicated to supporting medical research charities in saving and improving lives through research and innovation. The AMRC ensures that member charities fund the best research by developing guides, providing training, and carrying out an audit of their funding processes. They unite and champion the sector, helping to drive positive change in the research and health landscape.

With our new board members we will continue to seek the best ways forward to increase our income generation. Both through digital streams and increasing our corporate fund raising efforts, we will build up our fund-raising activities and Income generation. We can now look to increase our in-person events and already have some very positive feedback from our 2022 Christmas Ball, with corporate partners taking us on as their Charity of the Year.

We continue to ensure that our core aims and objectives are met, if not exceeded, into the future; while maintaining a strong focus on operational cost control at all times.

Jeremy Lea
Chair of Kidscan Children's Cancer Research

OBJECTIVES AND ACTIVITIES

Aims and objectives of the charity

The aims of the charity are to promote and support research into the causes, prevention, treatment and cure of cancer in children and in furtherance of that primary object to provide information and raise public understanding of such matters. The charity pursues these objectives by providing funding to carry out these research objectives in the form of grants.

Gifts in kind and seconded staff

Kidscan continues to work from premises given rent free by the University of Salford. Kidscan also receives support from the University's finance department, in the form of systems and manpower. The fair value of this is not readily available, so it has not been included in the accounts.

Results

The results for the year, and the charity's financial position at the end of the year are shown in the attached financial statements.

KIDSCAN LIMITED

Report of the Trustees

Year ended 31 July 2022

ACHIEVEMENTS AND PERFORMANCE

Scientific Directors Report

Childhood malignancy remains the leading cause of disease related death in children and young adults. Children with many types of cancer have seen huge improvement in survival rates over the last 40 years. Acute Lymphocytic Leukaemia, the most common children's cancer known, has a 5-year survival rate of around 92% up from 50% in the 1970s. However, despite improvements in treatment some rarer types of children's cancer have seen little or no improvement in survival rates, with a number still classed as untreatable. One of the biggest issues faced by survivors of childhood cancer remains late effects of treatment, due to the harmful nature of many traditional treatment routes for children.

Late effects of treatment leave many former patients with long-lasting physical vulnerabilities, like the risk of heart disease, development of secondary cancers, lack of fertility, and gradual loss of mobility. Certainly, childhood cancers can bring opportunities for psychological growth, but some long-term survivors also live with learning disabilities and other neuropsychological long-term side effects such as post-traumatic stress disorder. These in turn impact on relationships, employment opportunities, and overall wellbeing. At long last there is now a more profound acknowledgement and understanding of the harmful late side-effects that the survivors of childhood cancer face as they move on with their lives. These late effects are a direct result of the damage caused by conventional radiotherapy and chemotherapy that ultimately takes their toll on the rapidly developing child.

There have been great advancements in the treatment of adult cancer, but this has not always been the case for children and young adults. Kidscan is striving to change this, and to offer children and families the best treatments possible to enable them to survive and thrive.

Key Milestones (2021-22)

During the financial year 2021-22, Kidscan continued to fund 4 PhD studentships and awarded 7 research projects, conducted by undergraduate placement students. A pump priming grant was also awarded to researchers at the University of Cambridge. At the end of the 2021-22 financial year, Kidscan was committed to around £50k of research spending, based on active grant awards at the end of this financial period. This commitment of funds towards research is encouraging as the charity continues a prolonged change to its fundraising mechanisms and priorities. During the period 2019-2022, Kidscan has funded children's cancer research with a commitment of over £0.5m. Although this figure is slightly lower than last year; the total still represents a significant research investment by a UK charity into childhood cancer research.

Although the COVID pandemic has stopped having an impact on current research activities, some significant disruption to research activities on some current Kidscan grants did occur during the lifetime of the awards. The extent of which was largely dependent on the host institution. Many research institutions currently holding Kidscan grants were closed for the entire first lockdown, others began to allow limited access to laboratories in June and July, some institutions remained closed to staff until September 2020 others had space and usage restrictions well into 2021. These access issues in the 2020-21 and to a limited extent 2021-22 financial years did limit the timely completion of some research projects. Unlike some research charities Kidscan did not agree to any paid extensions to stipends of research grants because of the pandemic. However, we have instigated, on request, some minimal cost extensions to our research grants, usually bench fees, except for the placement studentships that terminated on time. We have not yet managed to determine with any certainty the overall impact of the pandemic on individual research grants, but the grant holders have kept in touch with the charity throughout the pandemic and many have explained their plans to make up for lost time. The overall consequences of the pandemic on research impacts will continue to be monitored through the annual Researchfish submissions by grant holders.

We had hoped to begin increasing research funding again over the last 12-18 months as the charity emerges from the COVID pandemic, initially through pump priming awards, which have been open to applications throughout. However, the cost-of-living crisis following the pandemic has unfortunately slowed down that process, but we are still awarding new grants and meeting the commitments to older grants that are still active

KIDSCAN LIMITED

Report of the Trustees

Year ended 31 July 2022

Kidscan have also continued 3-year agreement with Researchfish, commencing in 2019, and the three reviews of research impacts have been held in 2020, 2021 and 2022. Researchfish is used globally by research charity funders and Universities to track research and evidence impact and is recognised as being independent. The data entered into Researchfish is used by funders for many purposes such as establishing a return on their investment or to highlight the academic and non-academic impacts of research funded by them.

Kidscan remains committed to providing financial support to its researchers, via peer reviewed grants, but it is also continuing the process of developing freely available materials specifically for research into children's cancer treatment.

New Research Projects Supported in 2021-22

- 1) Exploring immuno-chemotherapy for the treatment of paediatric cancer
- 2) Development of high-performance chemotherapeutic gold nano shells for versatile multimodal theranostic cancer therapy applications
- 3) Development of novel methods to measure anthracycline-induced cardiac intracellular oxidative stress
- 4) Evaluation of Phenothiazinyl Chalcones. Synthesis of Further Analogues Using Standard and Green Methodologies
- 5) Role of extracellular vesicles in pulmonary cell function after chemotherapy treatment of childhood cancers
- 6) Survival of cancer stem cells: a good opportunity in bad neighbourhood?

Fundraising Overview

Like many charities across the UK, Kidscan Children's Cancer Research continued to be affected by the global pandemic in 2021/22 and this together with the cost of living crisis, made it another difficult fundraising year.

As most restrictions across the country eased, fundraising income in other areas also increased as Kidscan was able to re-engage supporters with new ways of fundraising. Community fundraising increased by over 50% and challenge events activity increased by 35%, although with the cost of living crisis starting to take hold it is envisaged that these fundraising streams will be difficult going forwards.

We had another really successful year with applications to trusts and foundations. The income from this source increased to £56k, the largest amount to date, including funding for research as well as our ambassadors programme.

Our corporate supporters, including our long-time supporters Housing Units and Morsons Group also continued to raise money for childhood cancer research.

Income from our placed tins and collections grew to £47k an increase of 12%, which goes to show that there is still a lot of cash being used out in the communities. We have also invested in cashless giving technology to increase our ability to raise funds at collections and other events.

Despite the fundraising challenges, our fundraising team have remained focused and driven making progress in other key areas including the launch of our new five-year strategy which sets out our plans to increase awareness of childhood cancer through a number of new initiatives.

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KIDSCAN LIMITED

Report of the Trustees

Year ended 31 July 2022

FINANCIAL REVIEW

Investment Powers and Restrictions

The directors have powers to expend the funds of the charity in such manner as they shall consider most beneficial for the achievement of the objects, and to invest in the name of the charity such part of the funds as they may see fit, and to direct the sale or transposition of any such investments and to expend the proceeds of any such sale in furtherance of the objects of the company.

Reserves policy

£100,000 of unrestricted funds held by the charity would allow the operation to continue for at least six months in the event of there being a drop in revenue from current activities. The balance on unrestricted funds is currently above this level.

Statement of Financial Activities

The Covid-19 pandemic and the cost of living crisis continued to have an impact on the fundraising activities in 2021/22. Despite this, there has been a 24% increase in income (£54k) when compared to 2020/21. Donations have increased by £28k this year to £188k and Income from trading activities has increased by £14k to £75k. The grants received income (£17k) relates to the Kickstarter Scheme used to employ short term staff. The cost of raising funds is £229k, a small decrease of £9k on the previous year. The spend on charitable activities in 21/22 is £153k (9% higher than the previous year), as previous research grant commitments continued to be funded from carried forward funds.

The overall result for the year is a Net Expenditure of £90k. This has resulted in a reduction in the carried forward funds balance and this now stands at a balance of £127k of which £47k is restricted. The outstanding grant commitment value at the year-end was £50k.

PLANS FOR FUTURE PERIODS

□

Although 2021 / 2022 was another challenging year with the effects of the pandemic still being felt and the cost of living crisis deepening, we move into the new financial year ready to re-launch our five-year strategy. Our focus is to:

- □ Re-engage with supporters to boost fundraising income to pre-covid levels
- □ Focus on corporate partners and charity of the year activity
- □ Review all marketing materials and key messaging in line with the new strategy
- □ Boost our investment in social media and digital marketing to increase online donations & increase awareness of childhood cancer
- □ Invest in our volunteer programme to boost productivity and engage the local community
- □ Develop community fundraising groups and corporate business boards to boost fundraising income

Small company provisions

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

Registered office:

Alumni House
Acton Square
Salford
M5 4NY

Signed by order of the trustees



J Radcliff
Company Secretary

Approved by the trustees on 10/03/2023.....

KIDSCAN LIMITED

Statement of Trustees' Responsibilities

Year ended 31st July 2022

The trustees (who are also the directors of Kidscan Limited 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;
- ☐ 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 proper 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. The trustees 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.

KIDSCAN LIMITED

Independent Auditors' Report to the Members of Kidscan Limited

Year ended 31st July 2022

Opinion

We have audited the financial statements of Kidscan Limited for the year ended 31 July 2022 on pages 15 – 26 which comprise of the Statement of Financial Activities, Balance Sheet, Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including Financial Reporting Standard 102 “The Financial Reporting Standard applicable in the UK” (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- ☐ give a true and fair view of the state of the charity’s affairs as at 31 July 2022, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- ☐ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- ☐ have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor’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 about the charitable company’s ability to continue as a going concern for a period of at least twelve months from the date 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.

KIDSCAN LIMITED

Independent Auditors' Report to the Members of Kidscan Limited

Year ended 31st July 2022

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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- ☐ the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- ☐ the charitable company has not kept adequate accounting records; or
- ☐ the financial statements are not in agreement with the accounting records and returns; or
- ☐ we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 10, 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 auditor under section 151 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

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

KIDSCAN LIMITED

Independent Auditors' Report to the Members of Kidscan Limited

Year ended 31st July 2022

irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

Extent to which the audit was considered capable of detecting irregularities, including fraud

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- ☐ the nature of the sector, control environment and organisation's performance;
- ☐ the charitable company's own assessment of the risks that irregularities may occur either as a result of fraud or error;
- ☐ the results of our enquiries of management and members of the Board of Trustees of their own identification and assessment of the risks of irregularities;
- ☐ any matters we identified having obtained and reviewed the charitable company's documentation of their policies and procedures relating to:
 - ☐ identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - ☐ detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
 - ☐ the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations; and
 - ☐ the matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following areas:

(i) The presentation of the charitable company's Statement of Financial Activities, (ii) the charitable company's accounting policy for revenue recognition (iii) the overstatement of salary and other costs, and (iv) the understatement of creditors. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory framework that the charitable company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the Companies Act 2006, the UK Charities Act, the Charities (Accounts and Reports) Regulations 2008 and the Statement of Recommended Practice - 'Accounting and Reporting by Charities' issued by the joint SORP making body.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the charitable company's ability to operate or to avoid a material penalty. The key laws and regulations we considered in this context included employment law, health and safety at work, and GDPR.

KIDSCAN LIMITED

Independent Auditors' Report to the Members of Kidscan Limited

Year ended 31st July 2022

Audit response to risks identified

In addition to the above, our procedures to respond to risks identified included the following:

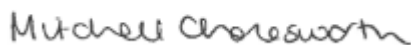
- ☐ reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations described above as having a direct effect on the financial statements;
- ☐ enquiring of management and members of the Board of Trustees concerning actual and potential litigation and claims;
- ☐ performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- ☐ reading minutes of meetings of those charged with governance and reviewing correspondence with relevant authorities where matters identified were significant;
- ☐ in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

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

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 charitable company's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Mitchell Charlesworth (Audit) Limited

Accountants

Statutory Auditor

3rd Floor

44 Peter Street

Manchester

M2 5GP

10/03/2023

Mitchell Charlesworth (Audit) Limited is eligible to act as auditor in terms of section 1212 of the Companies Act 2006 .

KIDSCAN LIMITED

Statement of Financial Activities (including income and expenditure account)

Year ended 31 July 2022

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
Income from:							
Donations and legacies	4	132,037	55,509	187,546	120,034	39,943	159,977
Income from trading activities	5	74,614	-	74,614	60,487	-	60,487
Grants received		17,140	-	17,140	4,713	-	4,713
Investment income	6	47	-	47	179	-	179
Total income		223,838	55,509	279,347	185,413	39,943	225,356
Expenditure on:							
Raising funds	7	234,832	14,488	249,320	237,955	-	237,955
Charitable activities	8	35,374	84,330	119,704	83,519	57,506	141,025
Total expenditure		270,206	98,818	369,024	321,474	57,506	378,980
Net expenditure		(46,368)	(43,309)	(89,677)	(136,061)	(17,563)	(153,624)
Reconciliation of funds:							
Total funds brought forward		126,241	90,933	217,174	260,804	109,994	370,798
Transfer of funds		-	-	-	1,498	(1,498)	-
Total funds carried forward		79,873	47,624	127,497	126,241	90,933	217,174

The Statement of Financial Activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

KIDSCAN LIMITED

Balance Sheet

31st July 2022

	Note	2022 £	2021 £
Current assets:			
Stocks	12	2,445	1,214
Debtors	13	18,615	16,184
Cash at bank		269,822	381,214
Total current assets		290,882	398,612
Liabilities:			
Creditors: falling due within one year	14	134,724	142,698
Net current assets		156,158	255,914
Provisions			
USS pension scheme deficit recovery plan		28,661	38,740
Net assets		127,497	217,174
The funds of the charity:			
Unrestricted income funds	16	79,873	126,241
Restricted income funds	16	47,624	90,933
Total funds		127,497	217,174

For the year ending 31 July 2022 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies but as this company is a charity, it is subject to audit under the Charities Act 2011.

The members have not required the company to obtain an audit in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibility for complying with the requirements of the Act with respect to accounting records and for the preparation of accounts. These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The notes on pages 18 - 26 form part of these accounts.



Signed:

Name: Jeremy Lea
Chair of trustees on behalf of the trustees

Approved by the trustees on: 10/03/2023

Company Number: 04279954

KIDSCAN LIMITED

Statement of Cash Flows

31 July 2022

	Note	2022 £	2021 £
Cash expended in operating activities	18	(111,439)	(107,906)
Cash flows from investing activities			
Interest income		47	179
Decrease in cash and cash equivalents for the year		(111,392)	(107,727)
Cash and cash equivalent at the beginning of the year		381,214	488,941
Total cash and cash equivalent at the end of the year		<u>269,822</u>	<u>381,214</u>

As the only cash and cash equivalent at both year-ends is cash at bank and in hand no net debt reconciliation has been considered necessary.

KIDSCAN LIMITED

Notes to the Financial Statements

Year Ended 31st July 2022

1 Accounting Policies

Company information

Kidscan Limited is a private company limited by guarantee incorporated in England and Wales. The registered office is Alumni House, Acton Square, Salford M5 4NY.

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (Charities SORP (FRS 102)), and in accordance with the Financial reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

The charity 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 note(s).

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

Going concern

At the time of approving the financial statements the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the accounts.

Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Income received in advance of a fundraising event or provision of other specified service is deferred until the criteria for income recognition are met.

KIDSCAN LIMITED

Notes to the Financial Statements

Year Ended 31st July 2022

Donated services and facilities

Donated professional services and donated facilities are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), the general time of the Volunteers is not recognised.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

Fund accounting

Unrestricted funds are available to spend on activities that further any of the purposes of the charity. Restricted funds are donations which the donor has specified are to be solely used for particular areas of the charity's work.

Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- ☐ Costs of raising funds comprise the costs of fundraising events and activities and their associated support costs.
- ☐ Expenditure on charitable activities includes the allocated grant claims made by the research organisation.
- ☐ Other expenditure represents those items not falling into any other heading.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

Allocation of support costs

These costs have been allocated between the various activities within the cost of raising funds. The bases on which the costs have been allocated are set out in note 7.

Operating leases

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight-line basis over the period of the lease.

Stock

Stock is included at the lower of cost or net realisable value after making due allowance for obsolete stock.

KIDSCAN LIMITED

Notes to the Financial Statements

Year Ended 31st July 2022

Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

Cash at bank and in hand

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

Creditors and provisions

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

Financial instruments

The charity 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 with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

Pensions

During the year eight members of staff were members of the Universities Superannuation Scheme (USS). This is a defined benefit scheme which is contracted out of the State Second Pension (S2P), externally funded and subject to periodic actuarial valuations. The assets of the scheme are held in a separate trustee-administered fund.

The scheme is a defined benefit scheme, but the employer is unable to identify its share of the underlying assets and liabilities (see below for availability of overall funding position of the scheme) and therefore accounts for contributions to the scheme as if it were a defined contribution scheme as permitted by FRS102 'Retirement benefits.'

The 2020 valuation was the sixth valuation for the scheme under the scheme-specific funding regime introduced by the Pensions Act 2004, which requires schemes to adopt a statutory funding objective, which is to have sufficient and appropriate assets to cover their technical provisions. At the valuation date, the value of the assets of the scheme was £66.5 billion and the value of the scheme's technical provisions was £80.6 billion indicating a shortfall of £14.1 billion and a funding ratio of 83%. A new deficit recovery plan was put in place as part of the 2020 valuation, which requires payment of 6.2% of salaries over the period 1 April 2022 until 31 March 2024 at which point the rate will increase to 6.3%

The rate of employer contributions for the period was 21.1%, 21.4% from October 2021, 21.6% from April 2022 (2021: 21.1%) of the gross pay of the staff in respect of USS. The total cost of company contributions for the year to the scheme was £23,545 (2021: £17,724).

The key financial assumptions used in the 2020 valuation is set out in the Statement of Funding Principles. (<https://www.uss.co.uk/about-us/valuation-and-funding/statement-offunding-principles>)

KIDSCAN LIMITED

Notes to the Financial Statements

Year Ended 31st July 2022

2. Judgements and key sources of estimation uncertainty

In order to calculate the USS pension provision, the trustees estimate the current year discount rate, and the pensionable payroll growth. These estimates are reviewed each year. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3. Legal status of the charity

The charity is a company limited by guarantee and has no share capital. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per trustee of the charity.

4. Income

from donations and legacies	Unrestricted funds £	Restricted funds £	Total funds 2022 £	Unrestricted funds £	Restricted funds £	Total funds 2021 £
Gifts	132,037	55,509	187,546	120,034	39,943	159,977
Legacies	-	-	-	-	-	-
	132,037	55,509	187,546	120,034	39,943	159,977

Income of £55,509 (2021: £39,943) was received for restricted purposes.

The charity benefits greatly from the involvement and enthusiastic support of its many volunteers. In accordance with FRS 102 and the Charities SORP (FRS 102), the economic contribution of general volunteers is not recognised in the accounts.

5. Income from other trading activities

	2022 £	2021 £
Events	27,159	18,535
Street/Stadium collections	4,528	112
Placed collection tins	42,927	41,840
	74,614	60,487

6. Investment income

The charity's investment income of £47 (2021: £179) arises from money held in interest bearing deposit accounts and treasury deposits.

KIDSCAN LIMITED

Notes to the Financial Statements

Year Ended 31st July 2022

7. Raising Funds

	Basis of allocation	Donations & Legacies	Events	Student/Community	Placed Tins	Trusts & Foundations	2022 Total	2021 Total
Costs directly allocated to activities:								
Staff Costs	Direct	88,762	16,854	47,319	24,857	9,236	187,028	204,154
Catering / Hospitality	Direct	29	0	0	0	0	29	0
Event / Room Hire	Direct	1,200	8,556	0	0	0	9,756	720
Printing / Publicity	Direct	10,035	1,296	850	612	0	12,793	3,985
Travel & Expenses	Direct	354	8	499	2,647	0	3,508	2,161
General Consumables	Direct	569	1,200	387	186	0	2,342	1,561
Audit Fee	Direct	0	0	0	0	0	0	0
Recruitment Fees	Direct	0	0	0	0	0	0	0
Interest	Direct	0	0	0	0	0	0	0
Support Costs allocated to activities:		0	0	0	0	0	0	0
Insurance	Staff Costs	723	137	386	203	75	1,524	131
Travel & Expenses	Staff Costs	5	1	3	1	1	11	107
General Office Costs	Staff Costs	10,911	2,072	5,817	3,055	1,135	22,990	5,470
Marketing & Publicity	Staff Costs	1,764	335	940	494	184	3,716	8,672
Software/Website	Staff Costs	2,669	507	1,423	747	278	5,623	10,994
Total Expenditure		117,021	30,966	57,623	32,803	10,908	249,320	237,955

KIDSCAN LIMITED

Notes to the Financial Statements

Year Ended 31st July 2022

8. Charitable activities	Unrestricted funds £	Restricted funds £	Total funds 2022 £	Unrestricted funds £	Restricted funds £	Total funds 2021 £
Research grants	22,716	84,330	107,046	78,189	57,506	135,695
Governance costs	12,658	-	12,658	5,330	-	5,330
	35,374	84,330	119,704	83,519	57,506	141,025

Expenditure of £84,330 (2021: £57,506) was paid from the restricted funds to fund research grants.

Governance cost analysis:		Total 2022 £	Total 2021 £
Costs directly allocated to activities:	Basis of allocation		
Staff costs	Direct	2,304	2,660
Audit fee	Direct	2,400	2,100
Recruitment fees	Direct	7,200	-
Interest	Direct	337	239
Support costs allocated to activities:			
Insurance	Staff costs	19	2
Travel & expenses	Staff costs	-	1
General office costs	Staff costs	283	71
Marketing & publicity	Staff costs	46	113
Software/website	Staff costs	69	144
Total expenditure		12,658	5,330

9. Analysis of staff costs, trustee remuneration and expenses	2022 £	2021 £
Salaries and wages	188,413	168,531
Social security costs	(12,211)	14,731
Pension costs	23,545	17,724
Pension deficit plan provision	(10,415)	5,828
	189,332	206,814

No employees had employee benefits in excess of £60,000 (2021: £Nil). Pension costs are allocated to activities in proportion to the related staffing costs incurred and are wholly charged to unrestricted funds.

The charity trustees were not paid and did not receive any other benefits from employment with the charity in the year (2021: £Nil). No trustees were reimbursed for travel expenses during the year (2021: £Nil). No charity trustee received payment for professional or other services supplied to the charity (2021: £Nil).

Social security costs includes an HMRC refund of £27,698 (2021: £Nil)

KIDSCAN LIMITED

Notes to the Financial Statements

Year Ended 31st July 2022

10. Staff numbers	2022	2021
The average number of administration staff in the charity was as follows:		
Headcount	9	7
Full time equivalent	6.6	5.6
11. Corporation tax		
The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.		
12. Stock	2022	2021
	£	£
Promotional merchandise	1,837	734
Clothing	608	480
	2,445	1,214
13. Debtors	2021	2021
	£	£
Prepayments and accrued income	18,615	16,184
	18,615	16,184
14. Creditors: amounts falling due within one year	2022	2021
	£	£
Other creditors	80,836	73,153
Accruals	52,652	62,956
Deferred income	1,236	6,589
	134,724	142,698
Deferred income:		
Deferred income as at 1 August 2021	6,589	4,183
Released from previous year	(6,589)	(4,183)
Income deferred in year	1,236	6,589
Deferred income as at 31 July 2022	1,236	6,589

KIDSCAN LIMITED

Notes to the Financial Statements

Year Ended 31st July 2022

At the balance sheet date, the charity was holding funds received in advance in respect of events taking place later in 2022/23.

15. Commitments	2022	2021
	£	£
At the reporting end date the company had commitments in respect of grants payable as follows:		
Within one year	49,544	109,923
After one year	-	36,387
	49,544	146,310

16. Analysis of charitable funds

	Balance 01/08/2021 £	Incoming resources £	Resources expended £	Transfers £	Funds 31/07/2022 £
Unrestricted funds:	126,241	223,838	(270,206)	-	79,873
Restricted funds:					
Gracie's Goal Fund	4,964	-	-	-	4,964
Tim Bacon Foundation	45,234	-	(32,822)	-	12,412
M/cr Guardian Society	2,000	-	(2,000)	-	-
The Grand Trust	20,000	-	(18,096)	-	1,904
UKH Foundation	5,000	-	(5,000)	-	-
General Research	830	9,025	(9,855)	-	-
Student Placements	11,000	9,000	(10,885)	-	9,115
Pump Priming	-	6,000	(6,000)	-	-
Core Costs	-	14,407	(9,042)	-	5,365
Ambassador Prog	1,905	17,077	(5,118)	-	13,864
	90,933	55,509	(98,818)	-	47,624

The £47,624 Restricted Funds (2021: £90,933) are all held within the net assets of the charity as cash balances.

Name of restricted fund description, nature and purposes of the fund

Gracie's Goal	To fund children's cancer research grants
Tim Bacon Foundation	To fund children's cancer research grants
M/cr Guardian Society	To fund research grant
The Grand Trust	To Fund research grants
UKH Foundation	To fund research grants
Student Placements	To fund student placement grants from various trusts and foundations
Pump Priming Grants	To fund pump priming grants from various trusts and foundations
Core Costs	To fund specific core costs from various trusts and foundations

KIDSCAN LIMITED

Notes to the Financial Statements

Year Ended 31st July 2022

Ambassador Programme

To fund ambassador activity from various trusts and foundations

17. Related party transactions

There were no related party transactions in 2022 (2021: £Nil).

Office space and certain facilities are provided by the University of Salford to the charity. No charge is made for these, and no charge was made in the prior year.

18. Reconciliation of net movement in funds to net cash flow from operating expenses

	2022 £	2021 £
Net movement in funds	(89,677)	(153,624)
(Decrease)/Increase in provisions	(10,079)	6,067
Deduct interest income shown in investing activities	(47)	(179)
Decrease/(increase) in stock	(1,231)	462
Decrease/(increase) in debtors	(2,431)	(5,307)
(Decrease)/Increase in creditors	(7,974)	44,675
Net cash generated in operating activities	(111,439)	(107,906)