

Charity registration number 1114784

Company registration number 05697939 (England and Wales)

SUNNY DAYS CHILDRENS FUND
(A COMPANY LIMITED BY GUARANTEE)
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022



SUNNY DAYS CHILDRENS FUND
(A COMPANY LIMITED BY GUARANTEE)
LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mr William Potter (Chair) Mr Tony Jones Mr Wayne Potter
Secretary	Mr William Potter
Charity number	1114784
Company number	05697939
Registered office	4 Cressing Road Braintree Essex CM7 3PP
Auditor	KLSA LLP Kalamu House 11 Coldbath Square London EC1R 5HL
Bankers	National Westminster Bank Plc 47 High Street Braintree Essex CM7 1JT

SUNNY DAYS CHILDRENS FUND

(A COMPANY LIMITED BY GUARANTEE)

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SUNNY DAYS CHILDRENS FUND
(A COMPANY LIMITED BY GUARANTEE)
TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT)
FOR THE YEAR ENDED 30 JUNE 2022

The Trustees present their annual report and financial statements for the year ended 30 June 2022.

The accounts have been prepared in accordance with the accounting policies set out in note 2 to the accounts and comply with the charity's governing document, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016)

Objectives and activities

The objects of the Charity as set out in its constitution are:

To promote any charitable purposes for the benefit of children in the UK as the Trustees in their absolute discretion think fit, in particular but without prejudice to the foregoing, for the benefit of those who are sick or disabled, to provide advocacy/information and emotional support to children and their families, the provision of financial assistance to individuals, including holidays for themselves and their families, and to support the charitable work of similar institutions.

The Trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

Achievements and performance

These objects are pursued through a range of activities in the different areas of the Charity's work which are summarized below.

Grants

The Charity continues to make grants to families of children that meet the criteria set out in our objectives. These grants include but are not limited to costs for: medical equipment, hospital travel expenses, educational equipment, financial support and crisis break holidays.

Support & Advocacy

The Charity now has approximately 2,000 families that it has directly helped by way of a grant or holiday. It also provides support and advice to countless others. This may be in the form of emotional support, advice to ensure they are claiming the correct benefits, help in locating alternative funding and in some case "just being there for a chat".

**SUNNY DAYS CHILDRENS FUND
(A COMPANY LIMITED BY GUARANTEE)
TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2022**

Holiday Homes

The Charity's two Holiday homes have again proved to be a great success.

The benefits these breaks provide to the families are immeasurable and below are included just a few of the comments that the Charity have received from families:

"Just wanted to say a massive thank you. We all had a lovely time with some precious memories made"

"Thank you so much for allowing our family to use your holiday home at The Orchards. I attach a letter of thanks (personal details removed) and some photos which you might like to publish on your website"

"I am writing to thank you and all the staff at Sunny Days for awarding a holiday to our family. We have had a very hard few years since our daughter's diagnosis, with trips back and forth to hospital nearly every week. It has disrupted the lives of our other children, so to have this time away together has been amazing. The staff at the park were wonderful and did lots of activities with the children. Thanks again for helping us."

"Thank you so much for the break at one of your homes. From the first contact with Sunny Days, the process of booking, right through to the holiday was so easy. Our family really needed the break this year, it was so good to be able to spend family time together without the stresses of hospital visits etc. The facilities and staff at the park were so good. We especially enjoyed being able to use the owners pool and lounge as it was much more peaceful than the main pool. We couldn't believe how many activities were available for the children, I think they took part in all of them."

"Thank you so much for our week away in Clacton. Florence had so much fun (was lovely to see her so happy!)."

"We would like to express our deep appreciation and gratitude for the amazing holiday that was granted to us through the charity fund. We all really enjoyed ourselves and had a good break. The home was in spotless condition when we arrived and was so beautifully done up inside, it was a real treat to stay in such a pretty place!! The fact that it was on a holiday park was amazing, as it meant we could do so many activities with the children without going very far! So, thank you again to all the organisers of the fund. We are so grateful to you!"

Website

Our website (www.sunnydaysfund.org.uk) has continued to be a good source of information for families to contact the Charity. It now also receives a large amount of our donations directly from the link on the website.

The majority of families are referred to the Charity through Hospital and Local Council Social Workers, but some have applied directly through the website and contact through fundraising activities. The Charity confirms all the relevant medical conditions of the children through either the family GP or the Hospital attended.

The Trustees are mindful of the public benefit tests for charities, and confirm they have complied with the duty in the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission.

SUNNY DAYS CHILDRENS FUND
(A COMPANY LIMITED BY GUARANTEE)
TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2022

Financial review

The Trustees have noticed a significant difference in our telephone fundraising since the pandemic. Many small businesses have closed down and we have lost many of our regular donors. We have also noticed that the average amount raised is smaller than before the pandemic. These factors have led to a reduction in the income received from our telephone appeals.

We have however, noticed an increase in grants and donations from our applications to other charitable organisations. We intend to increase these applications over the coming year.

The Trustees did apply for and receive the government bounce back loan, this decision was taken to ensure that we could continue our work during the time we had no income throughout the imposed lockdowns. The loan was repaid in full during this financial year.

The Charity generated total incoming resources for the year of £342,351 (2021: £238,274); all this income is self-generated through telephone appeals and grant applications.

The Charity's total expenditure for the year was £362,975 (2021: £295,306) including spending on charitable activities of £232,679 (2021: £191,029), leaving net (expenditure) / income for the year of £(2,389) (2021: £57,261).

The Charity's General Reserves brought forward were £141,070, giving General Reserves carried forward of £138,681. There are no Restricted Reserves.

The Trustees are of the opinion that the Charity's main aim is to continue to provide support, advocacy etc. for existing and potential future families but will also continue to make direct grants and holidays where appropriate.

Due to the financial effects of the pandemic on the families we help, the Trustees increased the amount of financial assistance we gave by way of grants.

The Trustees are satisfied with the Charity's financial position at the year end.

Reserves policy

The majority of the Charity's income is from daily/weekly fundraising activities and it does not rely on large corporate grants or bequests. This allows the Charity to have a definite indication of our regular income. It endeavours to maintain between £40,000 and £50,000 in reserves for unforeseen circumstances. The Trustees believe this is sufficient to meet the Charity's ongoing obligations.

Risk policy

The Trustees have formally assessed business risks, and this has involved assessing the types of risk facing the Charity, prioritising them in terms of the potential impact and likelihood of occurrence, and identifying means of mitigating the risks. As part of this process the Trustees have assessed the adequacy of the Charity's internal controls and the costs of operating particular controls relative to the benefits obtained.

Plans for future periods

The Charity intends to continue to build on its strong links with the Great Ormond Street Hospital and Council Social Workers nationally as well as continue to support existing and future families.

Structure, governance and management

Sunny Days Children's Fund is constituted as a registered Charity and a company limited by guarantee and has no share capital, with the Charity Trustees being directors of the company. The liability of each member in the event of winding up is limited to £10.

SUNNY DAYS CHILDRENS FUND
(A COMPANY LIMITED BY GUARANTEE)
TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2022

Trustees are normally elected at the Annual General Meeting (AGM), when a third of Trustees retire by rotation, but can also be appointed during the year to serve until the next AGM, when they have to stand for re-election. All major decisions that have financial or staffing implications are made by the Board of Trustees. Salaries and other running costs are agreed as part of the annual budgetary process.

Mr William Potter

Mr Tony Jones

Mr Wayne Potter

The Board meets formally two times during the year, and in addition the CEO has daily contact with the Trustees. The formal meetings cover staffing, finance, work reports, policy and broader strategic issues.

Statement of Trustees responsibilities

The Trustees, who are also the directors of Sunny Days Childrens Fund for the purpose of company law, are responsible for preparing the Trustees 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 charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity 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 charity 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 charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditor


In accordance with the company's articles, a resolution proposing that KLSA LLP be reappointed as auditor of the company will be put at a General Meeting.

**SUNNY DAYS CHILDRENS FUND
(A COMPANY LIMITED BY GUARANTEE)
TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2022**

Disclosure of information to auditor

Each of the Trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The Trustees report was approved by the Board of Trustees.


Mr William Potter
Chair of the Trustees

23 January 2023

**SUNNY DAYS CHILDRENS FUND
(A COMPANY LIMITED BY GUARANTEE)
INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF SUNNY DAYS CHILDRENS FUND**

Opinion

We have audited the financial statements of Sunny Days Childrens Fund (the 'charity') for the year ended 30 June 2022 which comprise the statement of financial activities, the balance sheet and the 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 and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 30 June 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 charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as going concern.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees report for the financial year for which the financial statements are prepared, which includes the directors' report prepared for the purposes of company law, is consistent with the financial statements; and
- the directors' report included within the Trustees report has been prepared in accordance with applicable legal requirements.

**SUNNY DAYS CHILDRENS FUND
(A COMPANY LIMITED BY GUARANTEE)
INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE MEMBERS OF SUNNY DAYS CHILDRENS FUND**

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the Trustees report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees report and from the requirement to prepare a strategic report.

Responsibilities of Trustees

As explained more fully in the statement of Trustees responsibilities, the Trustees, who are also the directors of the charity for the purpose 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 charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the 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

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.

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

**SUNNY DAYS CHILDRENS FUND
(A COMPANY LIMITED BY GUARANTEE)
INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE MEMBERS OF SUNNY DAYS CHILDRENS FUND**

Extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations

- 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 charitable company through discussions with trustees and other management, and from our commercial knowledge and experience of the sector; and
- we focused on specific laws and regulations which we considered may have a direct material effect on the operations of the charitable company
- financial statements or the operations of the charitable company, including the Companies Act 2006, Charities Act 2011, data protection, anti-bribery, employment, environmental and health and safety legislation.

We assessed the susceptibility of the charitable company'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; and
- 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;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in note 2 were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

To address the risk of non-compliance with laws and regulations, we communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the charitable company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related charities legislation) and taxation legislation (including payroll taxes) and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statements items.

Secondly, the charitable company is subject to grants terms and conditions where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the termination of grants. We identified the following areas as those most likely to have such an effect: Charity Commission inspections and health and safety legislation regulations. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

We communicated identified fraud risks and non-compliance with laws and regulations with those charged with governance, throughout the audit team and remained alert to any indications throughout the audit.

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

**SUNNY DAYS CHILDRENS FUND
(A COMPANY LIMITED BY GUARANTEE)
INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE MEMBERS OF SUNNY DAYS CHILDRENS FUND**

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://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 charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and regulations made under that Act. Our audit work has been undertaken so that we might state to the charitable company's members 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 charitable company and its members as a body, for our audit work, for this report, or for the opinions we have formed.



**Shilpa Chheda (Senior Statutory Auditor)
for and on behalf of KLSA LLP**

23 January 2023

**Chartered Accountants
Statutory Auditor**

Kalamu House
11 Coldbath Square
London
EC1R 5HL

SUNNY DAYS CHILDRENS FUND
(A COMPANY LIMITED BY GUARANTEE)
STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 30 JUNE 2022

		Unrestricted funds 2022 £	Unrestricted funds 2021 £
	Notes		
<u>Income and endowments from:</u>			
Charitable activities	4	342,351	238,274
Investments	3	30	8
Other income	5	18,205	114,285
Total income		360,586	352,567
<u>Expenditure on:</u>			
Raising funds	6	130,296	104,277
Charitable activities	7	232,679	191,029
Total expenditure		362,975	295,306
Net (expenditure)/income for the year/ Net movement in funds		(2,389)	57,261
Fund balances at 1 July 2021		141,070	83,809
Fund balances at 30 June 2022		138,681	141,070

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

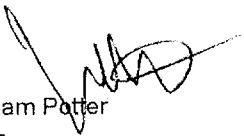
The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

SUNNY DAYS CHILDRENS FUND
(A COMPANY LIMITED BY GUARANTEE)
BALANCE SHEET

AS AT 30 JUNE 2022

	Notes	2022 £	£	2021 £	£
Fixed assets					
Tangible assets	12		26,303		33,702
Current assets					
Debtors	13	2,413		10,936	
Cash at bank and in hand		114,416		102,622	
		116,829		113,558	
Creditors: amounts falling due within one year	14	(4,451)		(6,190)	
Net current assets			112,378		107,368
Total assets less current liabilities			138,681		141,070
Income funds					
<u>Unrestricted funds</u>					
Designated funds	16	26,303		33,702	
General unrestricted funds		112,378		107,368	
			138,681		141,070
			138,681		141,070

The financial statements were approved by the Trustees on 23 January 2023


Mr William Potter
Trustee

Company registration number 05697939

**SUNNY DAYS CHILDRENS FUND
(A COMPANY LIMITED BY GUARANTEE)
BALANCE SHEET (CONTINUED)
AS AT 30 JUNE 2022**

1 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. 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.

Key sources of estimation uncertainty

Useful economic lives of tangible assets

Management reviews the useful lives and residual values of the tangible assets on a regular basis. During the financial year, the directors determined no significant changes in the useful lives and residual values.

Staff costs accrual

The monetary liability for employees' accrued holidays and management approved bonus at the reporting date is recognised as an expense accrual.

2 Accounting policies

Charity information

Sunny Days Childrens Fund is a private company limited by guarantee incorporated in England and Wales. The registered office is 4 Cressing Road, Braintree, Essex, CM7 3PP. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £10 per member of the charity. The address of the registered office is given in the charity information on page 1 of these financial statements.

The principal activity of the charity is the raising of funds to help children under the age of 18 years with a wide range of adverse medical conditions and all other life hindering conditions.

2.1 Accounting convention

The accounts have been prepared in accordance with the charity's governing document, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016). The charity is a Public Benefit Entity as defined by FRS 102.

The charity has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

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 £.

The accounts have been prepared under the historical cost convention, modified to include certain financial instruments at fair value. The principal accounting policies adopted are set out below.

SUNNY DAYS CHILDRENS FUND
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

2 Accounting policies

(Continued)

2.2 Going concern

The charity is able to fund its operational costs and meet its liabilities, through utilisation of existing cash resources and with continued support from grants and donations. The charity is therefore dependant upon its sponsors and donors for continuing financial support. As at 30 June 2022, the charity's net (expenditure) / income was (£2.3k) (2021: £57k). The charity's net current assets were £112k (2021: £107k).

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 financial statements.

2.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives.

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

2.4 Incoming resources

All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income, after any performance conditions have been met, when the amount can be measured reliably and when it is probable that the income will be received.

Income from donations is recognised on receipt, unless there are conditions attached to the donation that require a level of performance before entitlement can be obtained. In this case income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

No amount is included in the financial statements for volunteer time in line with the SORP (FRS 102). Further detail of the contribution of volunteers to the charity is given in the Trustees' Annual Report.

2.5 Resources expended

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

SUNNY DAYS CHILDRENS FUND
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2022

2 Accounting policies

(Continued)

All expenditure is accounted for on an accruals basis. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following headings:

- Costs of raising funds includes the costs associated with attracting voluntary income
- Expenditure on charitable activities includes those costs incurred by the Charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Irrecoverable VAT is charged as an expense against the activity for which expenditure arose

Grants payable to third parties are included in expenditure on charitable activities. Where unconditional grants are made, these amounts are recognised when a constructive obligation is created, typically when the recipient is notified that a grant will be made to them. Where grants are conditional on performance, then the grant is only recognised once any unfulfilled conditions are outside of the control of the charity.

Support costs allocation

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs, and project management costs. They are incurred directly in support of expenditure on the objects of the charity. Where support costs cannot be directly attributed to particular headings they have been allocated to cost of raising funds and expenditure on charitable activities on a basis consistent with use of the resources.

Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities.

2.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended.

Assets with a cost of less than £200 are expensed.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold property	10% on a straight line basis
Fixtures and fittings	25% on a reducing balance basis

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

2.7 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

2.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

SUNNY DAYS CHILDRENS FUND
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2022

2 Accounting policies

(Continued)

2.9 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

2.10 Taxation

The charity is an exempt charity within the meaning of schedule 3 of Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010. It therefore meets the definition of a charitable company for UK corporation tax purposes.

2.11 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

SUNNY DAYS CHILDRENS FUND
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2022

3 Investments

	Unrestricted funds	Unrestricted funds
	2022	2021
	£	£
Interest receivable	30	8

4 Charitable activities

	2022	2021
	£	£
General donations and telephone appeals	304,824	216,145
Gift Aid recoverable	37,527	22,129
	<u>342,351</u>	<u>238,274</u>

5 Other income

	Unrestricted funds	Unrestricted funds
	2022	2021
	£	£
Other income	18,205	114,285

All other income relates to the furlough grant income received for staff from the Coronavirus Job Retention Scheme introduced by UK Government due to the ongoing Covid-19 pandemic.

6 Raising funds

	Unrestricted funds	Unrestricted funds
	2022	2021
	£	£
<u>Fundraising and publicity</u>		
Printing, postage and stationery	9,322	4,454
Communications	964	843
Staff costs	52,952	30,774
Depreciation and impairment	5,838	5,838
	<u>69,076</u>	<u>41,909</u>
Fundraising and publicity		

SUNNY DAYS CHILDRENS FUND
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2022

6 Raising funds

(Continued)

Trading costs

Support costs

61,220 62,368

130,296 104,277

7 Charitable activities

2022

2021

£

£

Staff costs

89,111 93,569

Printing, postage and stationery

11,653 7,779

Equipment costs

- 194

Communications

6,539 6,383

Travel

2,582 -

Donations and grants

56,472 15,538

166,357 123,463

Share of support costs (see note 8)

63,826 63,820

Share of governance costs (see note 8)

2,496 3,746

232,679 191,029

SUNNY DAYS CHILDRENS FUND
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2022

8 Support costs

	Support costs	Governance costs	2022	Support costs	Governance costs	2021
	£	£	£	£	£	£
Staff costs	64,294	-	64,294	71,854	-	71,854
Depreciation	5,112	-	5,112	5,632	-	5,632
Premises Costs	50,334	-	50,334	43,360	-	43,360
Insurance	702	-	702	683	-	683
Bank & Credit charges	2,300	-	2,300	1,202	-	1,202
Audit fees	-	4,800	4,800	-	4,800	4,800
Legal and professional	-	-	-	-	2,403	2,403
	<u>122,742</u>	<u>4,800</u>	<u>127,542</u>	<u>122,731</u>	<u>7,203</u>	<u>129,934</u>
Analysed between						
Trading	58,916	2,304	61,220	58,911	3,457	62,368
Charitable activities	63,826	2,496	66,322	63,820	3,746	67,566
	<u>122,742</u>	<u>4,800</u>	<u>127,542</u>	<u>122,731</u>	<u>7,203</u>	<u>129,934</u>

Governance costs includes payments to the auditors of £4,800 (2021 - £4,800) for audit fees.

9 Trustees

None of the Trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

None of the Trustees (or any persons connected with them) were reimbursed for expenses from charity during the year and in the previous year.

10 Net movement in funds

	2022	2021
	£	£
Net movement in funds is stated after charging/(crediting)		
Fees payable to the company's auditor for the audit of the company's financial statements	4,800	4,800
Depreciation of owned tangible fixed assets	10,950	11,470
	<u>15,750</u>	<u>16,270</u>

SUNNY DAYS CHILDRENS FUND
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2022

11 Employees

The average monthly number of employees during the year was:

	2022	2021
	Number	Number
Raising funds	12	6
Charitable activities	8	7
Support services	7	6
	<u>27</u>	<u>19</u>

Employment costs

	2022	2021
	£	£
Wages and salaries	206,357	196,197
	<u>206,357</u>	<u>196,197</u>

There were no employees whose annual remuneration was more than £60,000.

12 Tangible fixed assets

	Freehold property	Fixtures and fittings	Total
	£	£	£
Cost			
At 1 July 2021	58,376	54,375	112,751
Additions	-	3,551	3,551
	<u>58,376</u>	<u>57,926</u>	<u>116,302</u>
At 30 June 2022	58,376	57,926	116,302
Depreciation and impairment			
At 1 July 2021	41,570	37,479	79,049
Depreciation charged in the year	5,838	5,112	10,950
	<u>47,408</u>	<u>42,591</u>	<u>89,999</u>
At 30 June 2022	47,408	42,591	89,999
Carrying amount			
At 30 June 2022	10,968	15,335	26,303
	<u>10,968</u>	<u>15,335</u>	<u>26,303</u>
At 30 June 2021	16,806	16,896	33,702
	<u>16,806</u>	<u>16,896</u>	<u>33,702</u>

13 Debtors

	2022	2021
	£	£
Amounts falling due within one year:		
Gift aid recoverable	2,413	3,042
Other debtors	-	7,894
	<u>2,413</u>	<u>10,936</u>

SUNNY DAYS CHILDRENS FUND
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2022

14 Creditors: amounts falling due within one year

	2022	2021
	£	£
Other taxation and social security	2,231	161
Other creditors	620	4,430
Accruals and deferred income	1,600	1,599
	<u>4,451</u>	<u>6,190</u>

15 Operating lease commitments

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2022	2021
	£	£
Within one year	<u>24,000</u>	<u>24,000</u>

16 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	Balance at 1 July 2020	Transfers	Balance at 1 July 2021	Transfers	Balance at 30 June 2022
	£	£	£	£	£
Fixed asset fund	33,802	(100)	33,702	(7,399)	26,303
	<u>33,802</u>	<u>(100)</u>	<u>33,702</u>	<u>(7,399)</u>	<u>26,303</u>

The Designated fund represents the net book value of tangible fixed assets, and has been designated by the trustees to reflect the fact that these funds are not in a liquid form and so are not expendable funds.

17 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2022	2021
	£	£
Aggregate compensation	<u>65,650</u>	<u>64,630</u>