

# THE CHILD HEALTH RESEARCH CIO

England & Wales · Charity number 1152623

## Details

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**Status** Registered

**Legal form** CIO

**Registered** 2013-06-27

**Register** [View on the Charity Commission register](#)

## Contact

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**Address** University College London  
Institute Of Child Health  
30 Guilford Street  
London  
WC1N 1EH

**Phone** 02079052723

## Activities

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**Objects:** THE PURPOSES (THE 'OBJECTS') OF THE CIO ARE, IN SUCH WAYS AS THE TRUSTEES THINK FIT, TO:(A) ADVANCE HEALTH IN CHILDREN AND THE ADULTS THEY BECOME BY SUPPORTING RESEARCH INTO CHILDREN'S HEALTH AND WELLBEING INCLUDING PRE-NATAL DEVELOPMENT AND EXTERNAL FACTORS IMPACTING THEREON; AND(B) ADVANCE EDUCATION BY SUPPORTING TEACHING, TRAINING AND PUBLIC ENGAGEMENT IN CHILDREN'S HEALTH INCLUDING BY SUPPORTING THE MISSION OF THE INSTITUTE OF CHILD HEALTH TO THE EXTENT CHARITABLE.

**Activities:** Grant giving, including grants from restricted funds and unrestricted funds to fulfill the objects of the charity.

## Classification

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- **How:** Makes Grants To Individuals, Makes Grants To Organisations, Sponsors Or Undertakes Research
- **What:** Education/training, The Advancement Of Health Or Saving Of Lives, Arts/culture/heritage/science
- **Who:** Children/young People, The General Public/mankind

## Geography

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- Throughout London

## Finances

Period end	Income	Expenditure	Assets	Employees
2025-07-31	£339,431	£1,260,434	-	-
2024-07-31	£2,376,259	£1,829,443	£17,605,968	2
2023-07-31	£363,414	£1,659,899	-	-
2022-07-31	£313,463	£1,722,027	-	-
2021-07-31	£488,262	£1,455,630	-	-

## Trustees

Name	Role	Appointed
<b>Adrian Clark</b>	Chair	2018-12-01
Andrew Monkhouse		2026-02-23
Dr Kiki Syrad		2023-11-06
Helena Vinnicombe		2020-04-23
PROFESSOR JUDITH HELEN CROSS		2022-09-01
Penelope Anne Wotton		2024-10-17
Professor Howard William Clark MD-DPhil		2023-02-01

**THE CHILD HEALTH RESEARCH CIO**

England & Wales - Charity number 1152623

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# Accounts

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Charity registration number: 1152623 (England and Wales)

**The Child Health Research Charitable Incorporated Organisation**

Annual report and financial statements  
for the year ended 31 July 2025

**Contents**

**Pages**

**Reports**

Reference and administrative information	1
Report of the Trustees	2
Independent auditor's report	9

**Accounts**

Statement of financial activities	13
Balance Sheet	15
Statement of cash flows	16
Principal accounting policies	17
Notes to the financial statements	20

# The Child Health Research Charitable Incorporated Organisation

## Reference and administrative information

### Trustees

Mr A Clark (Chairman)  
Mr H Clarke  
Professor H Cross  
Professor A Copp (resigned 19<sup>th</sup> May 2025)  
Ms L Gibson (resigned 20<sup>th</sup> November 2025)  
Mr H Snow  
Dr K Syrad  
Ms H Vinnicombe  
Ms P Wotton (appointed 17<sup>th</sup> October 2024)

### Finance Committee

Mr A Clark (Chairman)  
Ms L Gibson (resigned 20<sup>th</sup> November 2025)  
Mr H Snow  
Professor H Cross  
Ms H Vinnicombe  
Ms P Wotton (appointed 17<sup>th</sup> October 2024)

### Charity Registration Number

1152623

### Registered office

UCL GOS Institute of Child Health  
30 Guildford Street  
London  
WC1N 1EH

### Independent Auditor

Buzzacott Audit LLP  
130 Wood Street  
London  
EC2V 6DL

### Bankers

The Royal Bank of Scotland plc  
280 Bishopgate  
London  
EC2M 4RB

### Investment managers

Navera Investment Management Limited  
Riverside House,  
2a Southwark Bridge Road  
London  
SE1 9HA

**Report of the Trustees  
for the year ended 31 July 2025**

The Trustees present their Annual Report together with the financial statements of the Child Health Research Charitable organisation (“the CHR CIO”) for the year ended 31 July 2025. The financial statements have been prepared in accordance with the accounting policies set out on pages 12 to 15 and comply with the Charity’s Constitution, the Charities Act 2011 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 United Kingdom and Republic of Ireland (FRS 102).

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

The CHR CIO is a registered charity number 1152623 governed by its Constitution dated 27 June 2013 as amended 3 August 2022.

The principal objects of the CHR CIO are to support the UCL Great Ormond Street Institute of Child Health (“GOS ICH”) in its mission to improve the health and wellbeing of children and the adults they will become through world-class research, education and public engagement. GOS ICH is, with its clinical partner Great Ormond Street Hospital for Children NHS Foundation Trust (“GOSH”) Europe’s leading centre for child health research and education.

The CHR CIO does not actively fundraise, relying mainly on its investments to meet its objectives.

Meetings of the Trustees are convened on at least three occasions per annum. At these meetings, the Trustees agree the broad strategy and areas of activity for the CHR CIO including consideration of grant making, investment, reserves and risk management policies and performance. The Trustees also consider reports on the outcome of the CHR CIO’s spending programmes. Trustees also receive verbal reports on selected programmes from PhD students supported by their supervisor.

The Finance Committee aims to meet twice per annum and reports regularly to the Trustees. The Finance Committee is responsible for reviewing the financial statements in detail before approval by the Board, as well as monitoring the external investment managers regarding the investment portfolio performance, and giving advice regarding the cash flow of the CHR CIO.

Trustees are recruited by introductions from existing Trustees and others who are familiar with the work of the CHR CIO. Prospective Trustees are interviewed by the Chairman and by a Director of GOS ICH and asked to submit a CV for review at a Trustees’ Meeting. Candidates must be elected by at least a 75% majority of Trustees.

New Trustees are provided with information concerning the finances, constitution and grant-making policies of the CHR CIO. Those who are not familiar with the legal obligations and responsibilities of a Trustee are provided with information published by the Charity Commission. Further induction is given to new Trustees by meetings with key members of the GOS ICH staff.

During the year, Ms Penny Wotton joined as a trustee and member of the finance committee on the 17<sup>th</sup> October 2024. Professor A Copp’s term as a trustee came to an end on the 19<sup>th</sup> May 2025. Since 31<sup>st</sup> July 2025, Ms L Gibson has resigned as a trustee.

## **KEY MANAGEMENT**

The Trustees consider that they, together with the GOS ICH Finance Manager and Institute Manager, comprise the key management personnel of the charity in charge of directing and controlling, running and operating the CHR CIO on a day-to-day basis.

None of the Trustees receive any remuneration in respect of their services as Trustees.

All staff, including the key management personnel, are employed by the GOS ICH and their remuneration is set by their employers.

The GOS ICH Finance Manager and the Institute Manager are employees of GOS ICH and their services are provided through a recharge agreement between GOS ICH and the CHR CIO. Every month an allocation of their salary is recharged to the CHR CIO (10% in the case of the Finance Manager and 7.5% of the Institute Manager).

## **OBJECTIVES AND ACTIVITIES**

The purposes (objects) of the CHR CIO are, in such ways as the Trustees think fit, to:

- 1) advance health in children and the adults they become by supporting research into children's health and wellbeing, including pre-natal development and external factors impacting thereon; and
- 2) advance education by supporting teaching, training and public engagement in children's health, including by supporting the mission of the GOS ICH to the extent it is charitable.

The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the CHR CIO's aims and objectives, and in planning future activities and setting the grant making policy for the year.

The CHR CIO carries out these objects by:

- funding research into the causes and prevention of children's diseases. The research funded is both pure and applied / translational with the aim of eliminating suffering of children everywhere. The CHR CIO funds salaries of several Professors, Senior Lecturers / Consultants and other grades of staff where their research activity will further the objects of the charity;
- providing funds to enable postgraduate studentships to be undertaken at the GOS ICH, focussing on a wide range of paediatric research and education.

By focussing on these areas, the charity can meet its strategic objectives and priorities.

The charity has the following restricted funds which support various academic research projects:

- Research into Eye Disease (Help a Child to See)
- Children's Eye Group Travelling Fellowship (Claude Worth Fund)
- Caring for Kids Fund for a Research Lecturer in kidney disease
- Genetics fund (Jeans for Genes)
- Dermatomyositis Research
- Chair of Childhood Epilepsy
- Simpson-Smith Travelling Fellowship
- Department of Paediatric Surgery
- Anne Hamilton Award

### **OBJECTIVES AND ACTIVITIES (continued)**

- Siemens Nuclear Medical Research
- Kidney Research Williams Bequest
- Simpson-Smith Memorial Lectureship
- Chair of Developmental Neurobiology (linked to the Glaxo Wellcome endowment)
- Jim Seakins Travel Fund
- John Lipscombe Memorial Travel Award
- Bill Marshall Memorial Fund
- Roland Levinsky Studentship
- Wheeler Scholarship Fund
- Cystic Fibrosis Fund

### **ACHIEVEMENTS AND PERFORMANCE**

During the year the CHR CIO received a generous donation from the Wheeler family to support the tuition fees of a student on the MSc Paediatrics and Child Health course.

The CHR CIO continues to support early career researchers at the GOS ICH through funding 3-year PhD studentships, with 5 awarded during the year. The CHR CIO supports other educational activity at GOS ICH with grants awarded for bursaries on MSc courses and to support summer schools and internships.

The CIO also continues to provide funding for several senior academic positions at the GOS ICH to support their work on child health. The CIO is pleased to support EDI activity across GOS ICH and supports the salary of the EDI Coordinator post.

### **GRANT MAKING POLICY**

The charity has established a grant making policy to achieve its objects for the public benefit to improve the lives of children everywhere, namely finding better ways of diagnosing and treating sick children through research and then using those findings to improve health outcomes of those children throughout the world. The charity's research programmes support students, academic and academic related staff at the GOS ICH and GOSH to find new pioneering cures for many rare diseases which affect children. With new knowledge and understanding, children's lives can be improved significantly.

The director of the GOS ICH receives proposals for funding from members of the GOS ICH and GOSH. These are reviewed for scientific quality and to make sure they align with the strategic research objectives of both institutions. Once endorsed by the Director these are submitted to the charity for consideration and approval. Any grant applications are considered by the Board of Trustees before award letters are issued on behalf of the charity. This applies to applications against both restricted and unrestricted funds.

The projects are often for pump-priming, initial ideas and data collection before a full application is made to an external awarding body. The charity sometimes provides funds for bridging and infrastructure support (including building projects, laboratory refurbishments and equipment).

### **INVESTMENT POLICY AND PERFORMANCE**

Under its Constitution, the Trustees have absolute discretion to manage and organise the charity's investments. The Trustees, through the Finance Committee, have appointed Navera Investment Management Limited to manage (with discretionary powers) the Child Health

## The Child Health Research Charitable Incorporated Organisation

### Research CIO portfolio.

The charity has a Statement of Investment Principles which has been approved by the Trustees, which includes the following stipulations regarding the specific investment objectives:

- Investments are to be held to create real returns over the investment horizon of a rolling 5-year period, whilst maintaining the ability to draw income and capital where necessary.
- A Primary Benchmark of UK CPI + 4% on a rolling 5-year basis (net of fees) will be applied.
- The Trustees anticipate withdrawals of up to £1.5m per annum, to be met through a mixture of capital returns and income.
- A mix of assets, as detailed in the investment management agreement, may be used by the investment managers to achieve the investment objectives.
- The investment managers must incorporate into their investment process consideration of issues of Socially Responsible Investment (SRI) as well as factors of Environmental, Social and Governance (ESG), alongside other elements which form such a process and which govern subsequent portfolio construction, stock selection and benchmark adoption.
- The Trustees accept a medium risk investment profile in the achievement of their objectives.

The Statement of Investment Principles includes the following Specific Investment Restrictions:

- No investments are permitted in either the debt or equity of companies where >5% of revenues are derived from the manufacture of armaments, milk powder, tobacco or fossil fuel producing companies.
- No investments are permitted in pooled funds without the prior approval of the Finance Committee.
- The investment managers should also carefully consider before making any investments that are indirectly associated with the above restrictions. If there is any doubt, the investment managers should seek the permission of the Finance Committee before any investment is made.

The Statement of Investment Principles is subject to review as required by the Finance Committee and amendments will be advised in writing to the investment managers when applicable.

The Finance Committee aims to meet twice per annum to review the performance of the portfolio and the investment managers. The investment manager presents a report of the investment portfolio at each of these meetings.

The charity adopts a medium risk approach given the uncertainties in the bond and equity markets. As regards equities, the charity places emphasis on those companies whose abiding characteristic is to generate sustainable and growing cash flows whatever the state of the world economy. There is a focus on long term structural and demographic changes that inform investment decisions.

The total return for the 12 months to 31 July 2025 on the main CIO fund was 1.1% (2024: 11.4%) and 0.4% from inception to 31 July 2025 on the separate fund for the new endowment. Both are some way below the CPI + 4% primary benchmark return of 7.9% (2024: 6.2%) and also below the peer group ARC (Asset Risk Consultants) Sterling Steady Growth at 6.2% (2024: 9.8%). Both the UK and world equity markets achieved strong returns, of 12.1% and 12.5%

respectively, as represented by the FTSE All Share Index and the MSCI All Countries World Equity Index. The performance by Navera was weak due to a number of factors; companies with the 'quality' characteristics they seek have been out of favour, with a market returns over the year largely driven by a narrow list of perceived AI winners, whereas other companies have had negative performance as the market is concerned about AI disruption. The managers remain confident that the disconnect between solid financial performance and weak share price performance from the portfolio companies will narrow and that while strong and resilient business fundamentals are not always appreciated in the short-term, they should be reflected in share prices over the long-term. The corporate bond market (BofA ML £ Corporates (1-10Y)) also moved up, by 5.9%, as spreads over government bonds tightened and interest rates remained high.

### **FINANCIAL REVIEW**

The Statement of Financial Activities shows a deficit of £853,201 (2024: surplus of £2,401,024 (restated)) after investment gains for the year ended 31 July 2025. The figure excluding net investment gains was a deficit of £921,003 (2024: surplus of £630,650 (restated)). Grants payable for the year totalled £1,092,701 (2024: £1,581,277 (restated)).

The net current liability position on the balance sheet of £1,405,143 (2024: net current liability of £88,031 (restated)) is a reflection of the accounting policy that makes full provision for multi-year grants when they are committed. However, the charity maintains a strong cash position and has adequate funds to meet these liabilities as they fall due over the duration of the grants.

During the year, the Trustees approved the adoption of the total return basis for both endowment funds (Glaxo Wellcome and Louis Dundas Chair).

### **RESERVES POLICY AND FINANCIAL POSITION**

As stated above, the charity's primary objective is providing funds for research at the GOS ICH. Research, by its very nature, requires a long term commitment to resources for success.

The Trustees believe that in normal circumstances, the charity needs between £1- 2million of unrestricted reserves to take into account expenditure requirements and income fluctuation that may arise.

At 31 July 2025 the charity had total funds of £16,836,601 (2024: £17,689,802 (restated)). Of these, £7,319,814 (2024: £7,810,837) were restricted and £6,607,870 (2024: 7,042,104) were endowment funds. Unrestricted funds, which constitute the charity's free reserves, were £2,908,917 (2024: £2,836,861 (restated)).

The Trustees consider the level of general reserves (unrestricted funds of £2,908,917) are appropriate, considering the target of £2million mentioned above, due to the volatility of the investment market experienced over the preceding year.

The charity has sufficient resources to meet its obligations both from the restricted and unrestricted funds. Cash requirements can be met by realising investment assets.

### **RISK MANAGEMENT**

The charity has for many years adopted a risk assessment policy as part of its strategic plan in meeting its principal objectives. The major risks to which the charity is exposed have been evaluated and systems have been established to lessen and where possible, eliminate these risks.

The key risks for the charity, as identified by the Trustees, are described below together with

## The Child Health Research Charitable Incorporated Organisation

the principal ways in which they are mitigated:

*Conflict of interest* – Trustees may have a conflict of interest between their duties to the charity and their relationship with the GOS ICH. Such a conflict may arise in, for example, a decision in relation to a funding bid of which a Trustee's department would be a beneficiary. This is mitigated by keeping the conflicts of interest register up to date and following procedures for Trustees to abstain from certain decisions if this is deemed necessary.

*Portfolio management* – There is a risk that there are unsatisfactory returns from the investment portfolio. This is mitigated by regular monitoring of the financial returns achieved during biannual Finance Committee meetings.

*Monitoring of returns on investment* – There is a risk that once a grant is awarded, for example to a PhD student, that the outputs from the research may not be as expected. To mitigate this risk, the Trustees work closely with clinical experts to determine the most appropriate projects for grant funding.

### **FUNDRAISING**

The charity does not actively fundraise but does receive funding from a variety of sources including donations and legacies.

### **FUTURE PLANS**

The CHR CIO intends to continue to make regular research grants to the GOS ICH. These grants will be for PhD studentships and to support staff salaries. The CHR CIO will also continue to provide funding to support the purchase of equipment at GOS ICH.

### **STATEMENT OF TRUSTEES' RESPONSIBILITIES**

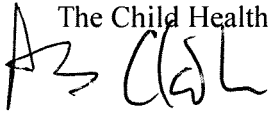
The Trustees are responsible for preparing the Trustees' Report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Principles).

The law applicable to charities in England and Wales requires the Trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the Charity and the group and of the income and expenditure of the group for that period. In preparing financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to the United Kingdom and Republic of Ireland (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable United Kingdom 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 business.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Charity and which enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the Constitution. The Trustees are responsible for safeguarding the assets of the Charity and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Child Health Research Charitable Incorporated Organisation

A handwritten signature in black ink, appearing to read 'A Clark', written over the printed name.

A Clark

Approved by the Trustees on 23 February 2026 and signed on their behalf by Chairman

## **Independent auditor's report to the Trustees of The Child Health Research Charitable Incorporated Organisation**

### **Opinion**

We have audited the accounts of The Child Health Research Charitable Incorporated Organisation (the 'charity') for the year ended 31 July 2025 which comprise the statement of financial activities, the balance sheet, the statements of cash flows, principal accounting policies and the notes to the accounts. 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 accounts:

- ◆ give a true and fair view of the state of the charity's affairs as at 31 July 2025 and of its incoming resources and application of resources 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 Charities Act 2011.

### **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 accounts section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the accounts 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 accounts, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the accounts 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 accounts are authorised for issue.

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

### **Other information**

The other information comprises the information included in the annual report, including the Trustees' report, other than the accounts and our auditor's report thereon. The Trustees are responsible for the other information contained within the annual report. Our opinion on the accounts does not cover the other information and 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 accounts 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 accounts 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.

#### **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 trustees' report.

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

- ◆ the information given in the Trustees' report is inconsistent in any material respect with the accounts; or
- ◆ sufficient accounting records have not been kept; or
- ◆ the accounts are not in agreement with the accounting records; 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 7, the Trustees are responsible for the preparation of the accounts 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 accounts that are free from material misstatement, whether due to fraud or error.

In preparing the accounts, 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 charity or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the accounts**

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the accounts 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 accounts.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We

## The Child Health Research Charitable Incorporated Organisation

design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

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

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

- ◆ making enquiries of management as to 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;
  - ◆ assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias.

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

- ◆ reading the minutes of meetings of those charged with governance;
- ◆ agreeing financial statement disclosures to underlying supporting documentation;
- ◆ enquiring of management as to actual and potential litigation and claims.

As a result of our procedures we did not identify any key audit matters relating to irregularities.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the Trustees and other management and the inspection of regulatory and legal correspondence, if any.

The Child Health Research Charitable Incorporated Organisation

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the accounts is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](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 charity's Trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's Trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

*Buzzacott Audit LLP*

Buzzacott Audit LLP  
Statutory Auditor  
130 Wood Street  
London  
EC2V 6DL

Date 24 February 2026

Buzzacott LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

The Child Health Research Charitable Incorporated Organisation

**Statement of financial activities  
for the year ended 31 July 2025**

	Note	Un-restricted funds £	Restricted funds £	Endowment funds £	Total funds 2025 £	Total Funds 2024 (Restated) £
<b>Income from:</b>						
Donations and legacies	1	60	34,400	-	34,460	2,032,292
Investments	2	47,389	134,452	123,130	304,971	343,967
		<u>47,449</u>	<u>168,852</u>	<u>123,130</u>	<u>339,431</u>	<u>2,376,259</u>
<b>Expenditure on:</b>						
Raising funds	3	29,145	81,134	57,454	167,733	164,332
<b>Charitable activities</b>						
Grants payable	4	(40,390)	1,133,091	-	1,092,701	1,581,277
		<u>(11,245)</u>	<u>1,214,225</u>	<u>57,454</u>	<u>1,260,434</u>	<u>1,745,609</u>
<b>Net income/(expenditure) for the year before gains on investments</b>						
		58,694	(1,045,373)	65,676	(921,003)	630,650
<b>Transfers</b>						
		(3,932)	505,284	(501,352)	-	-
<b>Net gains/(losses) on investment assets</b>						
	7	17,294	49,066	1,442	67,802	1,770,374
<b>Net income/(expenditure) and net movement in funds</b>						
		72,056	(491,023)	(434,234)	(853,201)	2,401,024
<b>Reconciliation of funds:</b>						
Total fund balances brought forward at 1 August						
		<u>2,836,861</u>	<u>7,810,837</u>	<u>7,042,104</u>	<u>17,689,802</u>	<u>15,288,778</u>
Total fund balances carried forward at 31 July						
		<u>2,908,917</u>	<u>7,319,814</u>	<u>6,607,870</u>	<u>16,836,601</u>	<u>17,689,802</u>

There were no recognised gains and losses for the current and preceding years other than those included in the statement of financial activities.

**Prior year adjustment**

Grants payable in the preceding year has been reduced by £83,834 to adjust for grants double counted.

The Child Health Research Charitable Incorporated Organisation

**Statement of Financial Activities (SoFA)  
for the year ended 31 July 2024**

		<i>Un-restricted funds</i>	<i>Restricted funds</i>	<i>Endowment funds</i>	<i>Total funds 2024 (restated)</i>
	<i>Note</i>	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>
<i>Income from:</i>					
<i>Donations and legacies</i>	1	192	32,100	2,000,000	2,032,292
<i>Investments</i>	2	62,391	281,576	-	343,967
		<u>62,583</u>	<u>313,676</u>	<u>2,000,000</u>	<u>2,376,259</u>
<i>Expenditure on:</i>					
<i>Raising funds</i>	3	31,721	132,611	-	164,332
<i>Charitable activities</i>					
<i>Grants payable</i>	4	288,287	1,292,990	-	1,581,277
		<u>320,008</u>	<u>1,425,601</u>	<u>-</u>	<u>1,745,609</u>
<i>Net expenditure for the year before gains on investments</i>		(257,425)	(1,111,925)	2,000,000	630,650
<i>Net (losses)/gains on investment assets</i>	7	321,120	925,992	523,262	1,770,374
<i>Net expenditure and net movement in funds</i>		63,695	(185,933)	2,523,262	2,401,024
<i>Reconciliation of funds:</i>					
<i>Total fund balances brought forward at 1 August</i>		<u>2,773,166</u>	<u>7,996,770</u>	<u>4,518,842</u>	<u>15,288,778</u>
<i>Total fund balances carried forward at 31 July</i>		<u>2,836,861</u>	<u>7,810,837</u>	<u>7,042,104</u>	<u>17,689,802</u>

The above figures reflect the prior year adjustment of £83,834 reducing the unrestricted grants payable for grants double counted.

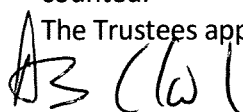
**Balance Sheet at 31 July 2025**

	Note	2025 £	2024 (restated) £
<b>Fixed assets</b>			
Investments	7	19,618,466	19,143,639
<b>Current assets</b>			
Debtors	8	49,024	40,383
Cash at bank and in hand		139,626	2,331,051
		<u>188,650</u>	<u>2,371,434</u>
<b>Liabilities:</b>			
Creditors: amounts falling due within one year	9	(1,593,793)	(2,459,465)
<b>Net current liabilities</b>		<b>(1,405,143)</b>	<b>(88,031)</b>
<b>Total assets less current liabilities</b>		<b>18,213,323</b>	<b>19,055,608</b>
<b>Long-term liabilities:</b>			
Creditors: amounts falling after more than one year	10	(1,376,722)	(1,365,806)
<b>Total net assets</b>		<b>16,836,601</b>	<b>17,689,802</b>
<b>The funds of the charity:</b>			
Unrestricted funds	11	2,908,917	2,836,861
Restricted funds	12	7,319,814	7,810,837
Endowment funds	13	6,607,870	7,042,104
<b>Total charity funds</b>		<b>16,836,601</b>	<b>17,689,802</b>

**Prior year adjustment**

Creditors in the preceding year have been reduced by £83,834 to adjust for grants double counted.

The Trustees approve the above figures, signed on their behalf by:

 A Clark

Chairman

Dated: 23 February 2026 23 February 2026

The notes on pages 20 to 31 form an integral part of these financial statements.

The Child Health Research Charitable Incorporated Organisation

Statement of cash flows 31 July 2025

	Note	2025 £	2024 £
<b>Cash flows from operating activities:</b>			
Net cash provided by/(used in) operating activities	A	(2,080,197)	504,213
<b>Cash flows from investing activities:</b>			
Investment income	2	295,797	343,967
Proceeds from the disposal of investments		5,504,777	6,218,706
Purchase of investments		(6,156,105)	(5,245,178)
		(355,531)	1,317,495
<b>Change in cash and cash equivalents in the year</b>		<b>(2,435,728)</b>	<b>1,821,708</b>
<b>Cash and cash equivalents at 1 August</b>		<b>3,624,781</b>	<b>1,803,073</b>
<b>Cash and cash equivalents at 31 July</b>	B	<b>1,189,053</b>	<b>3,624,781</b>

Notes to the statement of cash flows for the year to 31 July

**A Reconciliation of net movement in funds to net cash provided by/(used in) operating activities**

	2025 £	2024 £
<b>Net movements in funds (as per the statement of financial activities)</b>	<b>(853,201)</b>	<b>2,401,024</b>
(Gains)/Losses on investments	(67,802)	(1,770,374)
Investment income	2	(304,971)
(Increase) in debtors	533	(13,898)
(Decrease)/Increase in creditors	(854,756)	231,428
<b>Net cash provided by/(used in) operating activities</b>	<b>(2,080,197)</b>	<b>504,213</b>

**B Analysis of cash and cash equivalents**

	2025 £	2024 £
Cash at bank and in hand	139,626	2,331,051
Cash held by investment managers	1,049,427	1,293,730
<b>Total charity funds</b>	<b>1,189,053</b>	<b>3,624,781</b>

**Principal Accounting Policies  
for the year ended 31 July 2025**

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are laid out below.

**Basis of preparation**

These financial statements have been prepared for the year to 31 July 2025.

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these financial statements.

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 United Kingdom and Republic of Ireland (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The charity constitutes a public benefit entity as defined by FRS 102.

The financial statements are presented in sterling and are rounded to the nearest pound.

**Critical accounting estimates and areas of judgement**

Preparation of the financial statements requires the Trustees and management to make significant judgements and estimates.

The items in the financial statements where these judgements and estimates have been made include:

- ◆ estimating the liability for multi-year grant commitments; and
- ◆ the apportionment of investment income, management costs, gains and losses between funds.

**Assessment of going concern**

The Trustees have assessed whether the use of the going concern assumption is appropriate in preparing these financial statements. The Trustees have made this assessment in respect to a period of one year from the date of approval of these financial statements.

The Trustees of the charity have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The Trustees are of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due. The most significant areas of judgement that affect items in the financial statements are detailed above. With regard to the next accounting period, the year ending 31 July 2025, the most significant areas that affect the carrying value of the assets held by the charity are the level of investment return and the performance of the investment markets (see the investment policy and the risk management sections of the Trustees' report for more information).

The net current liability position on the balance sheet of £1,405,143 (2024 net current liability of £88,031 (restated)) reflects the accounting policy that makes full provision for grants when they are committed. However, the charity maintains a strong cash position and has adequate funds to meet these liabilities as they fall due over the duration of the grants.

**Income recognition**

Income is recognised in the period in which the charity has entitlement to the income, the amount of income can be measured reliably, and it is probable that the income will be received.

Income comprises donations, investment income and other income.

Donations are recognised when the charity has confirmation of both the amount and settlement date. In the event of donations pledged but not received, the amount is accrued for where the receipt is considered probable. In the event that a donation is subject to conditions that require a level of performance before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that those conditions will be fulfilled in the reporting period.

Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.

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.

**Expenditure recognition**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to make a payment 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.

All expenditure is accounted for on an accruals basis. Expenditure comprises direct costs and support costs. All expenses, including support costs, are allocated or apportioned to the applicable expenditure headings. The classification between activities is as follows:

- ◆ Expenditure on raising funds includes all expenditure associated with raising funds for the charity. This includes investment management fees and administration costs.
- ◆ Expenditure on charitable activities includes all costs associated with furthering the charitable purposes of the charity through the provision of its charitable activities. Such costs include charitable grants and support costs, including governance costs.

Grants payable are included in the statement of financial activities when approved and when the intended recipient has either received the funds or been informed of the decision to make the grant and has satisfied all performance conditions. Grants approved but not paid at the end of the financial year are accrued. Grants where the beneficiary has not been informed or has to fulfil performance conditions before the grant is released are not accrued for but are disclosed as financial commitments in the notes to the financial statements.

The provision of a multi-year grant is recognised at its present value where settlement is due over more than one year from the date of the award, there are no unfulfilled performance conditions under the control of the charity that would permit the charity to avoid making the future payments and settlement is probable.

All expenditure is stated inclusive of irrecoverable VAT.

**Principal accounting policies** 31 July 2025

**Fixed asset investments**

Listed investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. The charity does not acquire put options, derivatives or other complex financial instruments.

Realised gains (or losses) on investment assets are calculated as the difference between disposal proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value at that date. Realised and unrealised investment gains (or losses) are combined in the statement of financial activities and are credited (or debited) in the year in which they arise.

**Debtors**

Debtors are recognised at their settlement amount, less any provision for nonrecoverability. Prepayments are valued at the amount prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material.

**Cash at bank and in hand**

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition.

**Creditors and provisions**

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the charity anticipates it will pay to settle the debt. They have been discounted to the present value of the future cash payment where such discounting is material.

**Funds**

**Unrestricted funds** are those available for the general purposes of the Charity and their use is set out in the Constitution.

**Restricted funds** are those funds whose purposes have been restricted by the donor to specific areas of research as set out in note 12.

**Endowment funds** are those funds whose purposes have been endowed by the donor to a specific area of research and where the capital is not expendable as set out in note 13.

Income from investments, expenditure on administration fees, investment management fees and gains and losses on investments are apportioned to the active restricted and unrestricted funds on the basis of the average value of each fund during the year.

**1 Donations**

	2025 £	2024 £
Donations and legacies		
. Unrestricted funds	60	192
. Endowment funds	-	2,000,000
. Restricted funds	<b>34,400</b>	<b>32,100</b>
	<b>34,460</b>	<b>2,032,292</b>

**2 Investment income**

	2025 £	2024 £
Dividends and interest receivable		
. Unrestricted funds	<b>47,389</b>	62,391
. Restricted funds	<b>134,452</b>	281,576
. Endowment	<b>123,130</b>	-
	<b>304,971</b>	<b>343,967</b>

**3 Expenditure on raising funds**

	2025 £	2024 £
Investment management fees		
. Unrestricted funds	<b>24,798</b>	26,575
. Restricted funds	<b>70,356</b>	119,936
. Endowment	<b>57,454</b>	
Administration		
. Unrestricted funds	<b>4,347</b>	5,146
. Restricted funds	<b>10,778</b>	12,675
. Endowment	-	-
	<b>167,733</b>	<b>164,332</b>

**4 Expenditure on charitable activities**

<b>Unrestricted funds</b>	<b>2025</b>	<b>2024</b>
	£	(restated) £
Grants payable		
· Postgraduate studentships	<b>16,928</b>	492,115
· Other	<b>101,957</b>	226,963
Grants no longer required	<b>(167,933)</b>	(438,078)
Governance costs (note 5)	<b>8,658</b>	7,287
	<b>(40,390)</b>	288,287

<b>Restricted funds</b>	<b>2025</b>	<b>2024</b>
	£	£
Grants payable		
· Chair of Developmental Neurobiology	<b>501,352</b>	68,799
· Chair of Childhood Epilepsy	<b>259,938</b>	234,268
· Help a Child to See	<b>59,143</b>	65,219
· Genetics fund	<b>125,486</b>	710,389
· Jim Seakins Travel	<b>(1,715)</b>	200
· Children's Eye Group Travelling Fellowship	-	43,070
· Roland Levinsky Studentship	<b>2,830</b>	104,638
· John Lipscombe Memorial travel award	<b>769</b>	2,567
· Wheeler Scholarship	<b>62,040</b>	32,100
· Bill Marshall Memorial Fellowship	<b>(11,000)</b>	-
· Simpson-Smith Memorial Lectureship	<b>5,150</b>	-
· Department of Paediatric Support	<b>107,625</b>	-
Governance costs (note 5)	<b>21,473</b>	31,740
<b>Total restricted funds</b>	<b>1,133,091</b>	1,292,990

<b>Total funds</b>	<b>1,092,701</b>	1,581,277
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**5 Governance costs**

	<b>2025</b>	<b>2024</b>
	£	£
Auditor's remuneration		
· Audit fees – current year	<b>21,200</b>	21,000
· Audit fees – prior year	-	5,280
Accountancy fees	<b>8,979</b>	7,615
Legal and bank fees	<b>(3,078)</b>	5,131
Other professional fees	<b>3,030</b>	-
	<b>30,131</b>	39,026

## 6 Staff costs and numbers and remuneration of key management personnel

The average number of persons working for the charity during the year was as follows:

	<u>2025</u>	<u>2024</u>
Administration (part-time)	<u>2</u>	<u>2</u>

The aggregate amount of salaries, wages and related costs of employees is comprised as follows:

	<u>2025</u>	<u>2024</u>
	£	£
Wages and salaries	<b>12,003</b>	11,177
Social security costs	<b>1,402</b>	1,334
Other pension costs	<b>1,720</b>	3,071
	<b><u>15,125</u></b>	<u>15,582</u>

This is a recharge of salary costs from the UCL GOS Institute of Child Health to the Child Health Research CIO as no staff are actually employed by the Child Health Research CIO.

The key management personnel of the charity in charge of directing and controlling, running and operating the charity on a day to day basis comprise the Trustees and the ICH Finance Manager and ICH Institute Manager. The total remuneration (including taxable benefits and employer's pension contributions) of the key management personnel for the year was £15,125 (2024: £15,582).

No trustee received any form of emoluments from the charity during the year (2024: £nil). No trustee has been reimbursed for expenses incurred during the year (2024: £nil).

## 7 Investments

The investments of the Child Health Research CIO are managed Navera Investment Management Limited.

	<b>2025</b>	<b>2025</b>	2024	2024
	At cost	Market	At cost	Market
	£	Value £	£	Value £
UK – fixed interest	<b>3,340,516</b>	<b>3,473,611</b>	2,738,141	2,879,092
UK – equities	<b>9,872,795</b>	<b>14,254,007</b>	7,953,163	13,908,684
UK - funds	-	-	256,536	308,800
Other	<b>162,936</b>	<b>841,421</b>	645,043	753,333
Listed investments total	<b><u>13,376,247</u></b>	<b><u>18,569,039</u></b>	<u>11,592,883</u>	<u>17,849,909</u>
Cash with brokers	<b>1,049,427</b>	<b>1,049,427</b>	1,293,730	1,293,730
<b>Total investments</b>	<b><u>14,425,674</u></b>	<b><u>19,618,466</u></b>	<u>12,886,613</u>	<u>19,143,639</u>

**7 Investments (continued)**

	<b>2025</b>	2024
	<b>£</b>	£
Balance brought forward	<b>17,849,909</b>	17,053,063
Additions during the year	<b>6,156,105</b>	5,245,178
Opening market value of disposals (proceeds £5,504,777, realised gain £279,166)	<b>(5,225,611)</b>	(6,524,299)
Unrealised (losses) / gains	<b>(211,364)</b>	2,075,967
	<b><u>18,569,039</u></b>	<u>17,849,909</u>

The permanent endowment fund investments and movements in the unapplied total return are set out below.

	Trust for investment £	Unapplied total return £	<b>2025 Total £</b>
<hr/>			
At 1 August 2024			
. Base value of the permanent endowments	4,500,000	2,542,104	<b>7,042,104</b>
. Unapplied total return	-	-	-
Total	<u>4,500,000</u>	<u>2,542,104</u>	<u><b>7,042,104</b></u>
Movements during the year:			
. Investment income	-	123,130	<b>123,130</b>
. Less: investment charges	-	(57,454)	<b>(57,454)</b>
. Realised and unrealised gains	-	1,442	<b>1,442</b>
. Allocated from trust for investment	(5,931)	5,931	-
	<u>(5,931)</u>	<u>73,049</u>	<u><b>67,118</b></u>
Extraction of income from total return	-	(501,352)	<b>(501,352)</b>
<hr/>			
At 31 July 2025	<u>4,494,069</u>	<u>2,113,801</u>	<u><b>6,607,870</b></u>

When adopting total return accounting with effect from 1 August 2024, the Trustees calculated the initial value of the trust for investment for the Glaxo Wellcome endowment as being the original value (£1,250,000 in 1996) adjusted for inflation using CPI. For the Louis Dundas Chair, it was deemed appropriate to use the original value as the investment value considering it was received in March 24.

During the year, a transfer of £501,352 was made from the unapplied total return to restricted funds.

**8 Debtors**

	2025 £	2024 £
Accrued income	<u>49,024</u>	<u>40,383</u>
	<u>49,024</u>	<u>40,383</u>

**9 Creditors: amounts falling due within one year**

	2025 £	2024 (restated) £
Grants payable	<u>1,538,551</u>	<u>2,396,713</u>
Accruals	<u>55,242</u>	<u>62,752</u>
	<u>1,593,793</u>	<u>2,459,465</u>

**10 Creditors: amounts falling due after one year**

	2025 £	2024 £
Grants payable	<u>1,376,722</u>	<u>1,365,806</u>
	<u>1,376,722</u>	<u>1,365,806</u>

**11 Unrestricted funds**

	Balance as at 1 August 2024 £	Income £	Expenditure £	Gains/ Losses £	Transfers £	Balance as at 31 July 2025 £
Unrestricted funds	<u>2,836,861</u>	<u>47,449</u>	<u>(11,245)</u>	<u>17,294</u>	<u>(3,932)</u>	<u>2,908,917</u>
	<u>2,836,861</u>	<u>47,449</u>	<u>(11,245)</u>	<u>17,294</u>	<u>(3,932)</u>	<u>2,908,917</u>

Notes to the financial statements

31 July 2025

11 Unrestricted funds (continued)

	<i>Restated balance as at 1 August 2023 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Gains/ Losses £</i>	<i>Transfers £</i>	<i>Balance as at 31 July 2024 (restated) £</i>
<i>Unrestricted funds</i>	<u>2,773,166</u>	<u>62,583</u>	<u>(320,008)</u>	<u>321,120</u>	<u>-</u>	<u>2,836,861</u>
	<u>2,773,166</u>	<u>62,583</u>	<u>(320,008)</u>	<u>321,120</u>	<u>-</u>	<u>2,836,861</u>

Notes to the financial statements

31 July 2025

**12 Restricted funds**

	Balance as at 1 Aug 2024 £	Donations £	Investment income £	Grants (approved) released £	Other costs £	Gains/ Losses £	Transfers £	Balance as at 31 July 2025 £
Help a Child to See	58,805	-	562	(59,143)	(429)	205	-	-
Children's Eye Group Travelling Fellowship (Claude Worth Fund)	231,130	-	-	-	-	-	-	231,130
Caring for Kids	70,186	-	-	-	-	-	-	70,186
Genetics Fund	2,983,373	-	56,160	(125,486)	(42,859)	20,495	-	2,891,683
Dermatomyositis Research	64,208	-	-	-	-	-	-	64,208
Chair of Childhood Epilepsy	3,742,709	-	69,469	(259,938)	(53,015)	25,351	-	3,524,576
Simpson-Smith Travelling Fellowship	269,130	-	5,175	-	(3,950)	1,889	-	272,244
Department of Paediatric Surgery	103,693	-	-	(107,625)	-	-	3,932	-
Anne Hamilton Award – Prize Studentship	17,743	-	-	-	-	-	-	17,743
Siemens Nuclear Medical Research	34,347	-	-	-	-	-	-	34,347
Kidney Research William Bequest	43,936	-	-	-	-	-	-	43,936
Simpson-Smith Memorial Lectureship	48,709	-	887	(5,150)	(677)	324	-	44,093
Chair of Developmental Neurobiology	-	-	-	(501,352)	-	-	501,352	-
Jim Seakins Travel Fund	27,671	-	549	1,715	(419)	200	-	29,716
John Lipscombe Memorial Travel Award	42,349	-	807	(769)	(616)	294	-	42,065
Bill Marshall Memorial Fellowship	419	-	114	11,000	(87)	42	-	11,488
Roland Levinsky Studentship	39,316	-	729	(2,830)	(555)	266	-	36,926
Wheeler Scholarship	28,936	34,400	-	(62,040)	-	-	-	1,296
Cystic Fibrosis	4,177	-	-	-	-	-	-	4,177
	<b>7,810,837</b>	<b>34,400</b>	<b>134,452</b>	<b>(1,111,618)</b>	<b>(102,607)</b>	<b>49,066</b>	<b>505,284</b>	<b>7,319,814</b>

## 12 Restricted funds (continued)

The following restricted funds support salary costs of Principal Investigators at the UCL GOS Institute of Child Health:

- ◆ Chair of Developmental Neurobiology (funded via a transfer from the Glaxo Wellcome endowment fund)
- ◆ Chair of Childhood Epilepsy
- ◆ Chair in Palliative Care (income derived from the Louis Dundas endowment fund). The endowment fund suffered a reduction in value in the year, therefore no grants have been made. This liability will be re-instated should investment receipts increase.

The following restricted funds support travel, research and subsistence costs for students awarded grants from the CIO:

- ◆ Jim Seakins Travel Fund
- ◆ John Lipscombe Memorial Travel Award
- ◆ Bill Marshall Memorial Fellowship

The following restricted funds support travelling fellowships and memorial lectures where the UCL GOS Institute of Child Health attracts high-quality speakers and researchers to work with the department on a temporary basis:

- ◆ Children's Eye Group Travelling Fellowship (Claude Worth Fund)
- ◆ Simpson-Smith Travelling Fellowship
- ◆ Simpson-Smith Memorial Lectureship

The Genetics fund is an historic award. Jeans for Genes would perform annual fundraising which was allocated to GOSH Children's Charity and then subsequently transferred over to the CIO. There is no new income into this fund as the partnership between Jeans for Genes and GOSH has been dissolved.

Other restricted funds are legacy funds that the CIO intends to engage with original donors (where possible) to see if the money can be used more widely than their original intended purpose.

During the year, there was a £3,932 transfer to a restricted fund from unrestricted. This was due to the balance on the restricted fund not being sufficient to cover an award made, due to the returns on investments not being as expected.

**12 Restricted funds (continued)**

	Balance as at 1 Aug 2023 £	Donations £	Investment income £	Grants (approved) released (restated) £	Other costs £	Gains/ Losses £	Balance as at 31 July 2024 (restated) £
Help a Child to See	112,452	-	2,124	(65,594)	(1,055)	10,878	58,805
Children's Eye Group Travelling Fellowship (Claude Worth Fund)	274,200	-	-	(43,070)	-	-	231,130
Caring for Kids	70,186	-	-	-	-	-	70,186
Genetics Fund	3,280,490	-	77,828	(724,119)	(49,372)	398,546	2,983,373
Dermatomyositis Research	64,208	-	-	-	-	-	64,208
Chair of Childhood Epilepsy	3,488,333	-	89,691	(250,090)	(44,521)	459,296	3,742,709
Simpson-Smith Travelling Fellowship	235,059	-	6,253	(1,103)	(3,104)	32,025	269,130
Department of Paediatric Surgery	103,693	-	-	-	-	-	103,693
Anne Hamilton Award – Prize Studentship	17,743	-	-	-	-	-	17,743
Siemens Nuclear Medical Research	34,347	-	-	-	-	-	34,347
Kidney Research William Bequest	43,936	-	-	-	-	-	43,936
Simpson-Smith Memorial Lectureship	42,543	-	1,132	(200)	(562)	5,796	48,709
Chair of Developmental Neurobiology	-	-	100,750	(68,638)	(32,112)	-	-
Jim Seakins Travel Fund	24,355	-	645	(314)	(320)	3,305	27,671
John Lipscombe Memorial Travel Award	39,392	-	1,014	(2,746)	(503)	5,192	42,34
Bill Marshall Memorial Fellowship	366	-	10	(2)	(5)	50	419
Roland Levensky Studentship	132,354	-	2,129	(105,014)	(1,057)	10,904	39,316
Wheeler Scholarship	28,936	32,100	-	(32,100)	-	-	28,936
Cystic Fibrosis	4,177	-	-	-	-	-	4,177
	<b>7,996,770</b>	<b>32,100</b>	<b>281,576</b>	<b>(1,292,990)</b>	<b>(132,611)</b>	<b>925,992</b>	<b>7,810,837</b>

**13 Endowment funds**

	2025 £	2024 £
<b>Glaxo Wellcome – Chair of Developmental Neurobiology</b>		
Balance brought forward 1 August 2024	5,042,104	4,518,842
Investment income (net of charges)	41,375	-
Transfer to restricted fund	(501,352)	-
Realised/unrealised gains/(losses)	31,674	523,262
<b>Balance carried forward 31 July 2025</b>	<b>4,613,801</b>	<b>5,042,104</b>
<b>Louis Dundas – Chair in Palliative Care</b>		
Balance brought forward 1 August 2024	2,000,000	-
Investment income (net of charges)	24,301	-
Realised/unrealised gains/(losses)	(30,232)	-
Received in year	-	2,000,000
<b>Balance carried forward 31 July 2025</b>	<b>1,994,069</b>	<b>2,000,000</b>
<b>Total Endowment Funds at 31 July 2025</b>	<b>6,607,870</b>	<b>7,042,104</b>

**14 Analysis of group net assets between funds**

	Investments £	Current Assets £	Liabilities £	2025 Total £	2024 Total £
Unrestricted funds	3,771,816	147,105	(1,010,004)	2,908,917	2,836,861
Restricted funds	9,259,110	21,215	(1,960,511)	7,319,814	7,810,837
Endowment funds	6,587,540	20,330	-	6,607,870	7,042,104
	19,618,466	188,650	(2,970,515)	16,836,601	17,689,802

	Investments £	Current Assets £	Liabilities £	2024 Total £	2023 Total £
Unrestricted funds	2,590,704	2,371,434	(2,125,277)	2,836,861	2,773,166
Restricted funds	9,510,831	-	(1,699,994)	7,810,837	7,996,770
Endowment funds	7,042,104	-	-	7,042,104	4,518,842
	19,143,639	2,371,434	(3,825,271)	17,689,802	15,288,778

**14 Analysis of group net assets between funds (continued)**

The total unrealised gains as at 31 July 2025 constitutes movements on revaluation and are as follows:

	2025 £	2024 £
<b>Unrealised (losses) gains included above:</b>		
On investments	5,192,792	6,257,026
<b>Total unrealised gains at 31 July</b>	<b>5,192,792</b>	<b>6,257,026</b>
 <b>Reconciliation of movements in unrealised gains</b>		
Unrealised gains at 1 August	6,257,026	5,055,170
Less: in respect to disposals in the year	(852,870)	(874,111)
	<b>5,404,156</b>	<b>4,181,059</b>
 Add: net (losses) / gains arising on revaluation in the year	<b>(211,364)</b>	<b>2,075,967</b>
 <b>Total unrealised gains at 31 July</b>	<b>5,192,792</b>	<b>6,257,026</b>

**15 Connected charities**

Professor Andrew Copp and Helen Cross, who are/or were Trustees of the Charity, are also Trustees of the following organisation:

UCL GOS Institute of Child Health – An Institute of University College London (UCL). Its primary objective is the provision of education and medical research.

During the year, grants totalling £978,736 (2024: £2,038,646) were awarded to UCL GOS Institute of Child Health. At 31 July 2025, grants totalling £2,915,273 (2024: £3,896,372) were payable to UCL GOS Institute of Child Health.

In addition, these charities share common administrative facilities and hence involve cross charges of expenditure. The key management personnel of the charity in charge of directing and controlling, running and operating the charity on a day to day basis comprise the trustees and the ICH Finance Manager and ICH Institute Manager. The total remuneration (including taxable benefits and employer's pension contributions) of the key management personnel for the year was £15,125 (2024: £15,582).

**16 Taxation**

The Child Health Research Charitable Incorporated Organisation is a registered charity and is exempt under Part 11 of the Corporation Tax Act 2010 on its income and S256 Taxation of Chargeable Gains Act 1992 on its capital gains.

The Trust is not registered for VAT and the expenditure includes VAT where applicable.

**17 Related parties**

Professor Andrew Copp, who is a Trustee of the Charity up to May 25, had a portion of his salary at the UCL GOS Institute of Child Health funded by the Chair of Developmental Neurobiology (Glaxo Wellcome) endowment fund (note 13). Professor Helen Cross, who is a Trustee of the Charity, has a portion of her salary at the UCL GOS Institute of Child Health funded by the Chair of Childhood Epilepsy fund (note 12). Other than the transactions referenced above and in note 15, there have been no related party transactions.

**THE CHILD HEALTH RESEARCH CIO**

England & Wales - Charity number 1152623

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# Accounts

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The Trustees  
Child Health Research CIO  
Finance Department  
UCL  
Institute of Child Health  
30 Guilford Street  
London  
WC1N 1EH

24 March 2025

**Our ref CHR001/CHB/AK**

Dear Trustees

## **Post-Audit Report – Year ended 31 July 2024**

The purpose of this letter is to bring to the attention of the Board as those charged with governance and management the findings from our recent audit of the financial statements of Child Health Research CIO, for the year ended 31 July 2024, for your consideration and to enable you to address matters arising where appropriate. Throughout this letter, “you” and “your” refer to the Board. “We” and “our” refer to Buzzacott LLP. We appreciate that you will already be aware of some of the matters contained in this letter. However, in accordance with International Standards on Auditing (UK) (ISAs) we are communicating them to you formally.

### **1. Purpose of the audit**

As auditor, we are responsible for performing the audit in accordance with ISAs (UK), which is directed towards forming and expressing an opinion on the financial statements for the year ended 31 July 2024 that have been prepared by management with the oversight of those charged with governance, and other matters required by legislation.

Our work has been carried out in accordance with our audit planning letter dated 15 November 2024.

Our audit work included consideration of the internal controls relevant to the preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of your system of internal control.

The matters being reported are limited to those that were identified during the audit and that we conclude are of sufficient importance to merit being reported to those charged with governance.

## **2. Audit progress**

We would like to take this opportunity to thank all those with whom we dealt during the audit for their assistance and co-operation, in particular Mr Jon Burt.

## **3. Annual report and financial statements' format**

The financial statements have been prepared, as last year, in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice (Charities SORP FRS 102).

There are no significant changes to the format of the financial statements this year.

## **4. Auditor's report**

We do not propose any modifications to our audit opinion and, therefore, we intend to issue an unqualified opinion in our auditor's report.

## **5. Adjustments made during the audit**

A list of the adjustments which have been made to the figures presented to us for audit is attached as Appendix A. These have all been discussed and agreed with Jon Burt.

We will obtain written representations from you, as trustees, that you concur with these adjustments.

## **6. Unadjusted misstatements**

A list of misstatements identified during our audit which remain unadjusted is attached in Appendix A. The list does not include items which are considered to be clearly trivial. We will obtain written representations from you, as trustees, that these are not to be adjusted, due to their lack of significance to the overall result portrayed by the financial statements.

## **7. Accounting policies, accounting estimates and disclosures**

The accounting policies used in preparing the financial statements are unchanged from the previous year.

Our work included a review of the adequacy of disclosures in the financial statements and consideration of the appropriateness of the accounting policies and estimation techniques adopted by the charity. We found the disclosed accounting policies, significant accounting estimates and the overall disclosure and presentation to be appropriate for the charity.

## 8. Letter of representation

We enclose the draft letter of representation which we will request management and the trustees to approve and sign at the same time as the financial statements. This includes acknowledgement of the trustees' responsibility for the design and implementation of internal controls to prevent and detect fraud.

As set out in our planning letter, we understand the following applied to the year ended 31 July 2024.

- Trustees exercised effective oversight of management's processes for identifying and responding to the risks of fraud in the charity and a system of internal controls was in place to mitigate these fraud risks.
- Trustees were not aware of any instances of actual, suspected, or alleged fraud, including misconduct or unethical behaviour related to financial reporting or misappropriation of assets.
- There have not been any out of the ordinary transactions.
- If the above information is no longer correct, please contact Catherine Biscoe or Abbey Kester.

## 9. Accounting and internal control systems

Our work during the audit included an examination of some of the charity's transactions, procedures and controls with a view to expressing an opinion on the financial statements for the year ended 31 July 2024.

This work was not directed primarily towards discovering weaknesses, other than those that would affect our audit opinion, or towards the detection of fraud. We have included in this report only matters that have come to our attention as a result of our normal audit procedures and consequently our comments should not be regarded as a comprehensive record of all weaknesses that may exist or of all improvements that might be made.

We found no significant deficiencies in the accounting and internal control systems during our audit. However, we have made some recommendations for improvements, which are detailed in the section below.

## 10. Observations and recommendations on the accounting system and financial reporting function

The table below provides a summary of any observations made concerning weaknesses in the charity's accounting and internal control systems.

Observations included in the "A" grade (red) banding indicate that, in our opinion, there is a risk of significant financial impact on the charity that must be addressed immediately.

"B" grade (orange) banding recommendations relate to those issues where there is a risk of moderate financial impact on the charity, such as a control failure or the absence of a control in an area of moderate risk. These items should be addressed shortly.

Observations included in the “C” grade (yellow) banding indicates that the matter, although important, does not warrant urgent attention and should be addressed within an agreed timeframe.

Priority	No of points	Relating to
<b>A</b>	<b>1</b>	Preparation of management accounts*
<b>B</b>	<b>2</b>	Declaration of interest forms* Inaccurate grant award letters

\*Items marked with an asterisk are observations which were also made and reported in our post-audit report to you last year, but which remain unresolved.

Further details in respect of the observations and recommendations as a result of our audit work are given in Appendix B.

The matters have all been discussed with Mr Jon Burt who have appropriate management authority.

## 11. Prior year observation

We are, however, pleased to report that the following observations made last year have been satisfactorily dealt with:

Priority	Relating to
<b>B</b>	Retention of supporting documentation for grant awards

## 12. Materiality

**Materiality threshold** £287,000

**Reporting threshold:** £14,350

Materiality refers to the relative significance of a particular matter in the context of the financial statements as a whole. An item would be considered material if its omission or its erroneous inclusion would reasonably influence the decisions of those using the financial statements.

We are required to report corrected audit misstatements, and uncorrected audit misstatements in excess of our reporting threshold which is set at 5% of overall materiality.

Our overall materiality threshold is based on 1.5% of gross assets.

When considering the impact of misstatements discovered during the course of our audit and considering the implications for our report of such misstatements, we will refer to this level amongst other things. Whether a misstatement is 'material' or not is ultimately down to the auditor's judgement.

### 13. Professional ethics

In accordance with our profession's ethical guidance and further to our letter to you dated 15 November 2024 confirming audit planning arrangements there are no further matters to bring to your attention in relation to Integrity, Objectivity and Independence.

### 14. Current developments

We have attached a summary of other recent and ongoing developments as Appendix C to this report. The matters included in this appendix may not all be directly relevant to the charity. However, we are aware that a lot of trustees are involved with more than one organisation, therefore we have included items for general information.

### 15. Updates, insights and seminars

As part of our commitment to the charity sector, during the year the Charity Team issues occasional Updates and Insights on matters of relevance to the sector and also holds a number of seminars free of charge throughout the year. We would be delighted to welcome representatives of your charity to our seminars or to add trustees and management to our email distribution lists if this would be welcome. News and Insights are also available on our website at [News and insights \(buzzacott.co.uk\)](https://www.buzzacott.co.uk/news-and-insights), where there is also an opportunity to sign up to our mailing list should you wish.

### Conclusion

This letter has been prepared for your private use only. It has been prepared on the understanding that it will not be shared with any third party without our prior written consent and we can therefore assume no responsibility to any other party. Any recommendations contained herein are based on the information you have provided and UK law and judicial and administrative interpretation as of the date of this letter. Should the facts provided to us be incorrect or incomplete, or should they change, our recommendations may be inappropriate. Buzzacott LLP accepts no liability for losses arising from changes in UK law, interpretation or practice or in public policy that are first published after the date of this letter.

If you require any further information or assistance, we shall be very pleased to help you.

We would be pleased to receive your comments and reaction to this letter.

Yours faithfully



## Appendix A: Adjusted and unadjusted misstatements

### Adjusted misstatements

		Statement of Financial Activities		Balance Sheet	
		Debit £	Credit £	Debit £	Credit £
<b>1</b>	DR Creditors < 1 year			26,262	
	DR Creditors > 1 year			18,758	
	CR Prepayments				45,020
	<i>Being the reversal of an incorrectly included prepayment for salary costs.</i>				

The above adjustments had no effect on the charity's surplus.

## Unadjusted misstatements

		Statement of Financial Activities		Balance Sheet	
		Debit £	Credit £	Debit £	Credit £
<b>1</b>	DR Grants payable CR Grants payable < 1 year <i>Being the increase in grant required for salary payable for EDI coordinator due to spine point increase.</i>	2,931			2,931
<b>2</b>	DR Investment manager fees CR Other creditors <i>Being the increase in the estimated accrued investment manager fees.</i>	2,089			2,089

The above adjustments would have had the effect of decreasing the charity's surplus by £5,020.

It is noted that there was a grant write back of £82,654 in the year to 31 July 2024, for which there was reasonable evidence available that the grant should have been written back in the year to 31 July 2023. This does not classify as a prior period error as defined by FRS 102 as it is not material, and as such as been accounted for in 2023/24.

## Appendix B: Audit observations and recommendations

	Observation	Implication	Recommendation
A	<p><b>Preparation of management accounts</b></p> <p>It was highlighted at the planning meeting that management accounts have not been prepared by the external contractor as frequently as hoped and there have been periods during the year where no accounts have been received.</p>	<p>There is a risk that the Trustees are unable to monitor the level of cash resources held by the CIO to meet its obligations from both restricted and unrestricted funds. In addition, there is a risk that the Trustees make decisions on the value and timing of future grant awards based on inaccurate financial information.</p>	<p>We recommend that management accounts are prepared on a regular basis, at least quarterly, and are presented to the Trustees for review and to assist them with future decision making.</p>
B	<p><b>Declarations of interest forms</b></p> <p>We noted during our audit work on related party transactions that while the charity does require its trustees and key management personnel to document their close family members (defined in the Charities SORP FRS 102 as: children or spouse; the children, stepchildren or illegitimate children of spouse or domestic partner; dependants; or domestic partner who lives with them as husband or wife or in an equivalent same-sex relationship) and their pecuniary interests for the purposes of identifying transactions with related parties, this is not always completed by trustees. In our review of 8 DOIs, 5 did not provide details on close</p>	<p>Without such a procedure in place, there is a risk that the charity may unknowingly engage in transactions with close family members of trustees or management, organisations controlled by these individuals.</p> <p>It is important that such transactions are recognised and disclosed because:</p> <ul style="list-style-type: none"> <li>• related parties may enter into transactions that unrelated parties would not;</li> <li>• transactions between related parties may not be made at the same amounts or on the same terms as those between unrelated parties, i.e. they may not</li> </ul>	<p>We recommend that the charity reiterates to trustees the importance of filing in the DOI and encourages them to provide details on close family members of trustees and management, as well as any business ventures controlled by close family members.</p>

	<p>family.</p>	<p>represent the best value for money for the charity; and</p> <ul style="list-style-type: none"> <li>• the existence of the relationship may be sufficient to affect the transactions of the charity with other parties.</li> </ul> <p>Furthermore, failure to disclose transactions with the individuals noted above may represent a material omission of required disclosure in the charity’s financial statements, since transactions with connected parties are generally considered to be material by nature.</p>	
<p><b>B</b></p>	<p><b>Inaccurate grant award letters</b></p> <p>During our testing of grants payable, it was noted that award letters for grants included the incorrect grant amount. This was the case for 2 out of 5 grants payable tested. We were able to agree the correct amounts to the minutes but the grant awards should be correct.</p>	<p>There is a risk that the total grant award letters used to calculate the grant payable at year end is not accurate.</p>	<p>We recommend that grant award letters include the correct grant amount, agreed back to the minutes where they have been approved.</p>

## Appendix C: Sector Developments

Trustees' Annual Report and Accounts

### Changes to UK GAAP

In March 2024, the Financial Reporting Council published amendments to FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

The amendments encompass a number of changes including:

- a new model of revenue recognition designed to align UK GAAP with IFRS 15 Revenue from Contracts with Customers;
- a new model of lease accounting which brings assets under operating leases on to the balance sheet, designed to align UK GAAP with IFRS 16 Leases; and
- various other incremental improvements and clarifications.

The amendments will be effective for accounting periods beginning on or after 1 January 2026 and can be read at: [https://media.frc.org.uk/documents/Amendments\\_to\\_FRS\\_102\\_and\\_other\\_FRSs.pdf](https://media.frc.org.uk/documents/Amendments_to_FRS_102_and_other_FRSs.pdf)

### Development of new Charity Statement of Recommended Practice (SORP)

The new Charities Statement of Recommended Practice (SORP) had been expected to be published in August 2024 but a revised timeline for release is being considered. An update on this will be issued in due course.

Background on the 15 topics for change that have been considered by the SORP Committee are available at: <https://charitySORP.org/engage-briefings-to-inform-the-engagement-process-in-developing-the-next-sorp>

### Charities Act 2022

The phased implementation of the Charities Act 2022 is now complete with all changes now being applied. The key changes relate to how trusts and unincorporated associations make changes to governing documents, new rules around selling, leasing or disposing of land and new guidelines on how gifts to charities that are merging are treated.

Further information can be found at: <https://www.gov.uk/guidance/charities-act-2022-guidance-for-charities>

## Sustainability and reporting

Whilst many companies and organisations are including sustainability and climate change-related information in their annual reports, only the largest private and listed companies are required to provide such information. This disclosed information is not yet subject to any independent 'checking' which has resulted in the 'greenwashing' claims about some unverified information contained in annual reports.

June 2023 saw the issue of the first two international sustainability reporting standards aimed at improving trust and confidence in company disclosures about sustainability and climate change. The two IFRS Sustainability Disclosure Standards are internationally effective from 1 January 2024 although they have not yet been adopted by UK standard setters. However, it is likely that compliance will become mandatory in the near future. To begin with, the obligation may only be for large companies but, the 'trickle down' process is likely to require many organisations to ensure that they can provide adequate information to others in their supply chain who have the reporting obligation. As is usually the way, the reporting obligation will ultimately be extended to smaller and not-for-profit entities.

In anticipation of the above, it is advisable to start discussions around sustainability reporting and data early and more information can be found at: <https://www.ifrs.org/issued-standards/ifrs-sustainability-standards-navigator/>.

## Review of reporting quality by the FRC

The FRC has published its review of reporting practices by the UK's largest private companies. This thematic review highlights areas of improvement and examples of good practice in corporate reporting. The aim is to enhance transparency and consistency in financial disclosures, thereby building trust and investment in the UK market whilst aligning more with international guidelines to ensure high ethical standards and independence among UK audit firms. Key findings for future reports emphasise the need for:

- Concise, clear strategic disclosures aligned with the financial statements;
- Quality reports focussing on significant matters, detailing specific judgements, and quantifying estimation uncertainties;
- More tailored accounting policies, especially for revenue, in order to explain the revenue streams, recognition timing, and valuation methods.

The full thematic review can be read at: <https://www.frc.org.uk/news-and-events/news/2024/01/review-of-reporting-by-the-uks-largest-private-companies/>

## Policy and Governance

### Charity Commission 2024-2029 Strategy

The Charity Commission has published its new strategy with five key priorities:

- To be fair and proportionate in its work and clear about its role;
- To support charities to get it right but take robust action where they see wrongdoing and harm;
- To speak with authority and credibility, free from the influence of others;
- To embrace technological innovation and strengthen how its data is used; and
- To be the expert Commission - where its people are empowered and enabled to deliver excellence in regulation.

The regulator is in the process of identifying a set of strategic impact measures which will be published in mid-2024. The Commission aims to report against those measures for the first time in the Annual Report for 2024-25, which will be published in July 2025.

The full strategy can be read at: <https://www.gov.uk/government/publications/charity-commission-strategy-2024-2029/charity-commission-strategy-2024-2029>

### UK Corporate Governance Code 2024

The UK Corporate Governance Code was revised in January 2024 with the key focus being to enhance transparency and accountability of UK premium listed companies and help support the growth and competitiveness of the UK and its attractiveness as a place to invest. The Code does not set out a rigid set of rules; instead, it offers flexibility through 'comply or explain' reporting against the Provisions. The main change in the 2024 Code is a new requirement under Provision 29 for a declaration of effectiveness by the board in relation to material controls which will come into force on 1 January 2026. The other, less substantial, changes to the Code will take effect from 1 January 2025.

The full Code can be read at: [https://media.frc.org.uk/documents/UK\\_Corporate\\_Governance\\_Code\\_2024\\_kRCm5ss.pdf](https://media.frc.org.uk/documents/UK_Corporate_Governance_Code_2024_kRCm5ss.pdf)

A summary of key changes since the 2018 Code, as published by the FRC, can be found at: [https://media.frc.org.uk/documents/UK\\_Corporate\\_Governance\\_Code\\_2024\\_Key\\_Changes.pdf](https://media.frc.org.uk/documents/UK_Corporate_Governance_Code_2024_Key_Changes.pdf)

### Charity Governance Code

A review of the Charity Governance Code takes place roughly every three years to ensure it remains relevant. A consultation has been launched to gather feedback on potential enhancements to the Code, focusing on its content, structure, applicability to different charity sizes, language, and user-friendliness. The consultation runs to 11 August 2024 with a response being planned in Autumn 2024 with an updated Code expected in early 2025.

For further reading please see: <https://www.charitygovernancecode.org/en/about-the-code-1/updating-the-code>

## Procurement Act 2023

The Procurement Act 2023 goes live on 28 October 2024 and will lead to changes to how public procurement is regulated. The aim of the Act is to:

- create a simpler and more flexible, commercial system that better meets the country's needs while remaining compliant with international obligations;
- open up public procurement to new entrants such as small businesses and social enterprises so that they can compete for and win more public contracts; and
- embed transparency throughout the commercial lifecycle so that the spending of taxpayers' money can be properly scrutinised.

The government have produced a series of e-learning modules to support practitioners in implementing the new regime (applicable to all operational procurement staff): <https://www.gov.uk/guidance/the-official-procurement-act-2023-e-learning>

A series of short guides for senior leaders and suppliers have also been produced at: <https://www.gov.uk/government/publications/procurement-act-2023-short-guides>

Short video guides have also been produced: <https://www.gov.uk/government/publications/procurement-act-2023-short-guides/animations-and-videos>

## Recruitment challenges of Chairs'

New research by Bayes Business School's Centre for Charity Effectiveness highlights the need for charities to better understand the motivations of potential chairs, particularly younger generations, to address recruitment challenges. Surveying 61 chairs and 23 support representatives, the study found that the pipeline of future chairs is a significant concern, with barriers such as time pressures, responsibility level and a lack of diversity deterring potential candidates. The report emphasises the demanding nature of the chair role, recommending rigorous and inclusive recruitment processes promoting the role as aspirational, and providing future focussed support.

The full paper can be read at: [https://www.bayes.city.ac.uk/\\_data/assets/pdf\\_file/0009/794133/Bayes-CCE-The-Future-Charity-Chair-report-June2024.pdf](https://www.bayes.city.ac.uk/_data/assets/pdf_file/0009/794133/Bayes-CCE-The-Future-Charity-Chair-report-June2024.pdf)

## Charity Commission updates to guidance on decision making of trustees

When making decisions, trustees must follow the below seven principles in line with CC27, the Charity Commission's bespoke guidance on this topic:

1. act within their powers;
2. act in good faith;
3. be sufficiently informed;
4. take into account all relevant factors;
5. identify and disregard any irrelevant factors;
6. manage conflicts of interest; and
7. ensure their decision is within the range of decisions that a reasonable trustee body could make

September 2024 saw the first update to CC27, the Charity Commission guidance on decision making, in 11 years. Whilst the principles remain the same, the guidance is more concise taking 12 minutes to read, rather than 24 minutes in the previous iteration.

All trustees are therefore encouraged to read the following: <https://www.gov.uk/government/publications/its-your-decision-charity-trustees-and-decision-making>

## Trustees and whistleblowing

A tribunal appeal has raised the question of whether a charity trustee "is or should be treated as a worker" when seeking to be protected as a whistleblower. The Employment Appeal Tribunal published its judgment in the case involving Nigel MacLennan and the British Psychological Society (BPS). MacLennan was a trustee and president-elect at BPS when he uncovered and reported "serious concerns of corporate governance failings" there to the Charity Commission.

After making his disclosures, he was subjected to a disciplinary process and expelled from BPS in May 2021 following allegations of "persistent bullying", which he denied.

Last year, an Employment Tribunal ruled that MacLennan was not a worker at BPS and had no jurisdiction to hear his claims around detriment for making protected disclosures.

MacLennan appealed the decision, arguing that he should be treated as a worker and protected from reprisals for blowing the whistle under articles 10 and 14 of the European Convention on Human Rights (ECHR).

This ruling opens the door to potential protection for trustees and the full judgement can be read at: [https://assets.publishing.service.gov.uk/media/671636d5583ef2380ad997dd/Dr\\_Nigel\\_MacLennan\\_v\\_The\\_British\\_Psychological\\_Society\\_2024\\_EAT\\_166.pdf](https://assets.publishing.service.gov.uk/media/671636d5583ef2380ad997dd/Dr_Nigel_MacLennan_v_The_British_Psychological_Society_2024_EAT_166.pdf)

## Charity Commission updates to meeting guidance for Zoom and Teams calls

The Charity Commission's updated guidance (CC48) emphasises the need for charities to comply with and update their governing documents to accommodate online and hybrid meetings. It includes details on voting procedures, managing technical issues, and ensuring participation in virtual settings. The guidance applies to all types of charities and meetings, aiming to improve governance and assist trustees in their role.

Detailed guidance can be read at: <https://www.gov.uk/government/publications/charities-and-meetings-cc48>

## Charity Commission guidance on investing charity money

The Charity Commission has recently streamlined its guidance on investing charity money making it more accessible to trustees. Amongst other things, it:

- reminds trustees' of their principal duty to further their charity's purposes as part of setting and reviewing its policy on investments;
- reiterates that trustees' own judgement may be used on whether to restrict investment in organisations that contradict their mission;
- Advises that trustees may also choose to integrate environmental, social and governance issues into their investment strategy to either boost returns or protect their reputation;
- Advocates working with a professional firm to manage investments; and
- Acknowledges that there may be potential conflicts of interest that affect the use of particular advisors (e.g. if they are recommending to use their own funds or services without being able to demonstrate why those will serve a charity's purposes better than others).

The full guidance can be read at: <https://www.gov.uk/government/publications/charities-and-investment-matters-a-guide-for-trustees-cc14>

## Charity investment governance principles

In autumn 2024, the Charity Finance Group are unveiling the Charity Investment Governance Principles to aid trustees in managing charity investments. These principles will include guidance on legal considerations, governance, integrity, decision making, effectiveness, equity and accountability. The principles aim to address gaps in existing investment governance practices and empower trustees with practical advice.

Further detail can be found at: <https://www.civilsociety.co.uk/news/charity-investment-governance-principles-to-be-launched-in-the-autumn-cfg-says.html>

## Charity Commission renews calls for urgent action from UK banking sector

The Charity Commission's annual sector survey has unveiled concerning findings with 42% of trustees reporting that their charities experienced poor service from banks in the last 12 months. The risks associated with inadequate banking services extends beyond inconveniences, potentially risking the provision of charitable activities and promoting unsafe financial practices, such as the use of personal accounts to ensure charitable activities continue. There have been instances where accounts have been frozen with minimal notice after identification requests further highlight the severity of the issues. It is important for the banking sector to address these challenges promptly to ensure the continuation operations of charitable organisations and safeguard their valuable contributions to society.

For more information see: <https://www.gov.uk/government/news/new-data-suggests-nearly-half-of-charities-experience-issues-when-banking>

## New website to provide charities support with bank accounts

UK Finance have launched a website to help charities open and manage bank accounts, featuring tools like an account finder and FAQs. This initiative addresses difficulties many charities face with banking services, aiming to simplify the process and improve the service quality. The project has been supported by the Treasury and the Charity Commission.

The website can be found at: <https://www.ukfinance.org.uk/our-expertise/commercial-finance/voluntary-organisation-banking-guide>

## Charity Fraud Report 2023

The Fraud Advisory Panel issued its 2023 Charity Fraud Report in January 2024 following a survey of 121 charities, of which 62% generated income of over £10m, within the UK. The below key findings were noted:

- 36% of charities have experienced more instances of fraud than in the previous year;

- 50% of detected frauds were perpetrated internally (by staff, trustees or volunteers);
- 67% of charities agree that the cost-of living crisis has increased fraud risk; and
- 92% of charities who suffered a fraud experienced financial losses due to fraud (compared to 69% in 2022), with there being a shift to higher value frauds (over £10,000) taking place.

The report identifies that the most common frauds relate to misappropriation of cash or other assets, expenses, procurement, false beneficiaries or cyber matters with two-thirds of charities reporting that frauds were detected as a result of internal controls in place indicating the importance of designing a control environment with fraud risk at the centre.

Fraud prevention strategies include ensuring robust policies are in place (and are being followed) on cybersecurity, anti-fraud and conflicts of interest, whilst also ensuring adequate training is provided to those associated with the charity on a regular basis. A fraud response plan should also be devised and implemented in case of any adverse event.

The full report, including the Panel's top tips for preventing fraud (on page 22 and 23) can be read at: <https://www.fraudadvisorypanel.org/document/2023-charity-fraud-report/>

## Fraud and cybercrime guidance

The Charity Commission has unveiled a refreshed suite of guidance to help trustees protect their charities from fraud and cyber crime. Launching in Charity Fraud Awareness Week, the charity regulator has published bespoke guidance on how trustees can protect their charity from cyber crime and a separate shorter guide on fraud. These guides, which replace the regulator's previous guidance, are more concise and easier to use.

They can be read in full at: <https://www.gov.uk/government/news/regulator-refreshes-guidance-as-it-reveals-600-cases-related-to-fraud-in-the-last-year>

## Cyber-attacks

The British Library was subject to a cyber-attack in October 2023 and has published a "lessons learned" paper to help others in the sector who may experience similar. It covers the detail of the attack, and the impact it has had on operations, future infrastructure and risk assessments. The paper can be read at: <https://www.bl.uk/home/british-library-cyber-incident-review-8-march-2024.pdf>

## Guidance on internal financial controls

New guidance has been added on how to use internal financial controls to protect charities from fraud and loss. Internal financial controls are essential checks and procedures that help trustees:

- meet their legal duties to protect their charity's funds and assets, such as from fraud;
- administer their charity's finances and assets in a way that identifies and manages risk; and
- ensure the quality of financial reporting, by keeping adequate accounting records and preparing timely and relevant financial information

For further detail please see: <https://www.gov.uk/government/publications/internal-financial-controls-for-charities-cc8>

## Trustee Quiz

The Charity Commission has released a new Trustee Quiz to enable trustees to test their knowledge of their roles and responsibilities. It is aimed to engage trustees with questions based on everyday scenarios in a bid to identify any knowledge gaps and to act as a refresher for all trustees. The quiz takes three minutes to complete with feedback provided for each question and a score out of 10.

The quiz can be found at: <https://beingacharitytrustee.campaign.gov.uk/take-the-trustee-quiz/>

## Artificial Intelligence (AI)

Over the past year, the transformative potential of AI has become a major discussion point within the charity sector. The Charity Commission emphasise the importance of using AI responsibly to further charitable purposes. AI is increasingly being adopted by charities for resource-intensive tasks. The 2023 Charity Digital Skills report found that 35% of charities already use AI, with another 26% planning to adopt it. However, there are risks, such as data security, GDPR compliance, and the potential for AI to produce inaccurate or biased results. Charities should consider developing an internal AI policy, ensure human oversight and remain mindful of legal obligations to mitigate these risks. The Commission is actively learning about AI's potential and risks, engaging with the sector and other regulators, but does not currently plan to issue specific new guidance.

For further reading please see: <https://charitycommission.blog.gov.uk/2024/04/02/charities-and-artificial-intelligence/>

Following on from the Charity Commission blog, other sector bodies have been heavily involved in supporting charities in gearing up for AI. A checklist, created by Zoe Amar Digital, has been developed which aims to help charities build AI understanding, make informed decisions, and track progress. Recognising the varied knowledge on technology, the checklist offers guidance for beginners and advanced users alike, encouraging a tailored approach to integrating AI and fostering strategic discussions at the board level. It can be found at: <https://zoeamar.com/artificial-intelligence/ai-checklist-for-charity-trustees-and-leaders/>

## Reputational damage and financial loss from Deepfake AI incident

In July 2024, Arup Group suffered a significant setback when a deepfake video was falsely circulated which ordered staff to make significant bank transfers. The sophisticated AI-generated deepfake digitally cloned the CFO and resulted in significant reputational and financial losses. Companies and charities should be cautious of such digital misinformation by ensuring all communications are verified and aligned with official channels.

The Financial Times article reporting the Incident can be read at: <https://www.ft.com/content/b977e8d4-664c-4ae4-8a8e-eb93bdf785ea>

Accounting and Auditing Matters

## New Ethical Standard

The FRC has updated its Ethical Standard for auditors, effective from 15 December 2024. The update simplifies existing standards, aligns with the latest international ethics codes, and introduces restrictions on fees from entities controlled by a single party. These changes aim to strengthen governance and enhance market confidence.

The full standard can be read at: <https://www.frc.org.uk/news-and-events/news/2024/01/frc-updates-the-ethical-standard-for-auditors/>

## IAASB proposes major revisions to fraud auditing standards

The IAASB has proposed significant revisions to its standard of auditors' responsibilities regarding fraud, aiming to enhance public trust in financial reporting. The updated standard, ISA 240, outlines clearer auditor responsibilities, emphasises professional scepticism, and strengthens procedures for identifying and responding to fraud. Key changes include improved risk assessment, more detailed responses to suspected fraud, and greater transparency in auditors' reports. The IAASB will release a video series to explain the revisions.

The detail behind the changes can be read at: <https://www.iaasb.org/news-events/2024-02/iaasb-moves-strengthen-auditors-efforts-related-fraud>

## FRC's focus for 2024/25

In 2024/25, the FRC's reporting reviews and audit quality inspections will focus on risks tied to the current economic environment, such as going concern, impairments, and tax asset/liability recoverability. There will also be a focus on climate related risks, and the implementation of IFRS 17 for insurance contracts. Attention will also be given to the accuracy and completeness of cash flow statements.

The FRC's full announcement can be read at: <https://www.frc.org.uk/news-and-events/news/2023/12/frc-announces-areas-of-supervisory-focus-for-202425/>

## **Enhancing auditor requirements for detecting and reporting non-compliance**

The FRC's consultation to enhance auditor requirements for detecting and reporting material misstatements due to non-compliance with laws and regulations ended in January 2024. The FRC intends to strengthen ISA 250 Sections A and B, improving risk assessments and ensuring significant matters are reported to regulators, even if not explicitly required by law. Revisions seek to provide greater assurance to users of the financial statements and improve confidence in auditors' management and reporting of compliance risks. Changes are set to take effect for audits of financial statements for period beginning on or after 15 December 2024.

The proposed revisions can be read at: <https://www.frc.org.uk/news-and-events/news/2023/10/proposed-revisions-to-isa-uk-250-section-a-and-isa-uk-250-section-b/>

Tax

## **Reformed IR35 guidance**

Off-payroll working legislation governs how organisations handle tax for workers providing services through intermediaries, such as personal service companies. The reformed rules, introduced in 2017 and expanded in 2021, shift the responsibility of determining employment status from the worker's intermediary to the client engaging them. The reformed guidelines assist clients and deemed employers in applying these rules, ensuring correct tax and National Insurance contributions are paid. They also provide examples of best practices to minimise errors and potential penalties. Organisations should use these guidelines alongside existing resources to make informed decisions based on their specific circumstances.

Detailed guidance can be found at: <https://www.gov.uk/government/publications/help-to-comply-with-the-reformed-off-payroll-working-rules-ir35-gfc4>

Charity registration number: 1152623 (England and Wales)

**The Child Health Research Charitable Incorporated Organisation**

Annual report and financial statements  
for the year ended 31 July 2024

# The Child Health Research Charitable Incorporated Organisation

## **Contents**

## **Pages**

### **Reports**

Reference and administrative information	1
Report of the Trustees	2
Independent auditor's report	8

### **Accounts**

Statement of financial activities	12
Balance Sheet	14
Statement of cash flows	15
Principal accounting policies	16
Notes to the financial statements	19

The Child Health Research Charitable Incorporated Organisation

**Reference and administrative information**

**Trustees**

Mr A Clark (Chairman)  
Professor H Clarke  
Professor A J Copp  
Professor H Cross  
Ms L Gibson  
Mr H Snow  
Dr Kiki Syrad (appointed 6th November 2023)  
Ms H Vinnicombe  
Ms Penny Wotton (appointed 17th October 2024)

**Finance Committee**

Mr A Clark (Chairman)  
Ms L Gibson  
Mr H Snow  
Professor H Cross  
Ms H Vinnicombe  
Ms Penny Wotton

**Charity Registration Number**

1152623

**Registered office**

UCL GOS Institute of Child Health  
30 Guildford Street  
London  
WC1N 1EH

**Independent Auditor**

Buzzacott LLP  
130 Wood Street  
London  
EC2V 6DL

**Solicitors**

Birketts LLP  
106 Leadenhall Street  
London  
EC3A 4AA

**Bankers**

The Royal Bank of Scotland plc  
280 Bishopgate  
London  
EC2M 4RB

**Investment managers**

Meridiem Investment Limited  
Riverside House,  
2a Southwark Bridge Road  
London  
SE1 9HA

## The Child Health Research Charitable Incorporated Organisation

### **Report of the Trustees for the year ended 31 July 2024**

The Trustees present their Annual Report together with the financial statements of the Child Health Research Charitable organisation (“the CHR CIO”) for the year ended 31 July 2024. The financial statements have been prepared in accordance with the accounting policies set out on pages 16 to 18 and comply with the Charity’s Constitution, the Charities Act 2011 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 United Kingdom and Republic of Ireland (FRS 102).

#### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

The CHR CIO is a registered charity number 1152623 governed by its Constitution dated 11 May 2022.

The principal objects of the CHR CIO are to support the UCL Great Ormond Street Institute of Child Health (“GOS ICH”) in its mission to improve the health and wellbeing of children and the adults they will become through world-class research, education and public engagement. GOS ICH is, with its clinical partner Great Ormond Street Hospital for Children NHS Foundation Trust (“GOSH”) Europe’s leading centre for child health research and education.

The CHR CIO does not actively fundraise, relying mainly on its investments to meet its objectives.

Meetings of the Trustees are convened on at least three occasions per annum. At these meetings, the Trustees agree the broad strategy and areas of activity for the CHR CIO including consideration of grant making, investment, reserves and risk management policies and performance. The Trustees also consider reports on the outcome of the CHR CIO’s spending programmes. Trustees also receive verbal reports on selected programmes from PhD students supported by their supervisor.

The Finance Committee aims to meet twice per annum and reports regularly to the Trustees. The Finance Committee is responsible for reviewing the financial statements in detail before approval by the Board, as well as monitoring the external investment managers regarding the investment portfolio performance, and giving advice regarding the cash flow of the CHR CIO.

Trustees are recruited by introductions from existing Trustees and others who are familiar with the work of the CHR CIO. Prospective Trustees are interviewed by the Chairman and by a Director of GOS ICH and asked to submit a CV for review at a Trustees’ Meeting. Candidates must be elected by at least a 75% majority of Trustees.

New Trustees are provided with information concerning the finances, constitution and grant-making policies of the CHR CIO. Those who are not familiar with the legal obligations and responsibilities of a Trustee are provided with information published by the Charity Commission. Further induction is given to new Trustees by meetings with key members of the GOS ICH staff.

During the year, Ms Kiki Syrad joined as a trustee on the 6<sup>th</sup> November 2023. There were no resignations. The full list of trustees can be found on page 1, which also includes the post year end appointment of Ms Penny Wotton on the 17<sup>th</sup> October 2024.

The Child Health Research Charitable Incorporated Organisation

### **KEY MANAGEMENT**

The Trustees consider that they, together with the GOS ICH Finance Manager and Institute Manager, comprise the key management personnel of the charity in charge of directing and controlling, running and operating the CHR CIO on a day-to-day basis.

None of the Trustees receive any remuneration in respect of their services as Trustees.

All staff, including the key management personnel, are employed by the GOS ICH and their remuneration is set by their employers.

The GOS ICH Finance Manager and the Institute Manager are employees of GOS ICH and their services are provided through a recharge agreement between GOS ICH and the CHR CIO. Every month an allocation of their salary is recharged to the CHR CIO (10% in the case of the Finance Manager and 7.5% of the Institute Manager).

### **OBJECTIVES AND ACTIVITIES**

The purposes (objects) of the CHR CIO are, in such ways as the Trustees think fit, to:

- 1) advance health in children and the adults they become by supporting research into children's health and wellbeing, including pre-natal development and external factors impacting thereon; and
- 2) advance education by supporting teaching, training and public engagement in children's health, including by supporting the mission of the GOS ICH to the extent it is charitable.

The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the CHR CIO's aims and objectives, and in planning future activities and setting the grant making policy for the year.

The CHR CIO carries out these objects by:

- funding research into the causes and prevention of children's diseases. The research funded is both pure and applied / translational with the aim of eliminating suffering of children everywhere. The CHR CIO funds salaries of several Professors, Senior Lecturers / Consultants and other grades of staff where their research activity will further the objects of the charity;
- providing funds to enable postgraduate studentships to be undertaken at the GOS ICH, focussing on a wide range of paediatric research and education.

By focussing on these areas, the charity can meet its strategic objectives and priorities.

The charity has the following restricted funds which support various academic research projects:

- Research into Eye Disease (Help a Child to See)
- Children's Eye Group Travelling Fellowship (Claude Worth Fund)
- Caring for Kids Fund for a Research Lecturer in kidney disease
- Genetics fund (Jeans for Genes)
- Dermatomyositis Research
- Chair of Childhood Epilepsy
- Simpson-Smith Travelling Fellowship
- Department of Paediatric Surgery
- Anne Hamilton Award
- Siemens Nuclear Medical Research

## The Child Health Research Charitable Incorporated Organisation

- **OBJECTIVES AND ACTIVITIES** (continued)
- Kidney Research Williams Bequest
- Simpson-Smith Memorial Lectureship
- Chair of Developmental Neurobiology
- Jim Seakins Travel Fund
- John Lipscombe Memorial Travel Award
- Bill Marshall Memorial Fund
- Roland Levinsky Studentship
- Wheeler Scholarship Fund
- Cystic Fibrosis Fund
- Louis Dundas Chair in Palliative Care

### **ACHIEVEMENTS AND PERFORMANCE**

During the year the CHR CIO received a generous donation from the Wheeler family to support the travel costs of PhD students. The CHR CIO also received a generous new endowment from Great Ormond Street Hospital Children's Charity and The True Colours Trust to support the role of Professor in Palliative Care for Children and Young People.

The CHR CIO continues to support early career researchers at the GOS ICH through funding 3-year PhD studentships, with at least 4 awarded during the year. The CHR CIO supports other educational activity at GOS ICH with grants awarded for bursaries on MSc courses and to support summer schools and internships.

The CIO also continues to provide funding for several senior academic positions at the GOS ICH to support their work on child health. The CIO is pleased to support EDI activity across GOS ICH and supports the salary of the EDI Coordinator post

### **GRANT MAKING POLICY**

The charity has established a grant making policy to achieve its objects for the public benefit to improve the lives of children everywhere, namely finding better ways of diagnosing and treating sick children through research and then using those findings to improve health outcomes of those children throughout the world. The charity's research programmes support students, academic and academic related staff at the GOS ICH and GOSH to find new pioneering cures for many rare diseases which affect children. With new knowledge and understanding, children's lives can be improved significantly.

The director of the GOS ICH receives proposals for funding from members of the GOS ICH and GOSH. These are reviewed for scientific quality and to make sure they align with the strategic research objectives of both institutions. Once endorsed by the Director these are submitted to the charity for consideration and approval. Any grant applications are considered by the Board of Trustees before award letters are issued on behalf of the charity. This applies to applications against both restricted and unrestricted funds.

The projects are often for pump-priming, initial ideas and data collection before a full application is made to an external awarding body. The charity sometimes provides funds for bridging and infrastructure support (including building projects, laboratory refurbishments and equipment).

## The Child Health Research Charitable Incorporated Organisation

### **INVESTMENT POLICY AND PERFORMANCE**

Under its Constitution, the Trustees have absolute discretion to manage and organise the charity's investments. The Trustees, through the Finance Committee, have appointed Meridiem Investment Limited to manage (with discretionary powers) the Child Health Research CIO portfolio.

The charity has a Statement of Investment Principles which has been approved by the Trustees, which includes the following stipulations regarding the specific investment objectives:

- Investments are to be held to create real returns over the investment horizon of a rolling 5-year period, whilst maintaining the ability to draw income and capital where necessary.
- A Primary Benchmark of UK CPI + 4% on a rolling 5-year basis (net of fees) will be applied.
- The Trustees anticipate withdrawals of up to £1.2m per annum, to be met through a mixture of capital returns and income.
- A mix of assets, as detailed in the investment management agreement, may be used by the investment managers to achieve the investment objectives.
- The investment managers must incorporate into their investment process consideration of issues of Socially Responsible Investment (SRI) as well as factors of Environmental, Social and Governance (ESG), alongside other elements which form such a process and which govern subsequent portfolio construction, stock selection and benchmark adoption.
- The Trustees accept a medium risk investment profile in the achievement of their objectives.

The Statement of Investment Principles includes the following Specific Investment Restrictions:

- No investments are permitted in either the debt or equity of manufacturers of armaments, milk powder, tobacco or fossil fuel producing companies.
- No investments are permitted in pooled funds without the prior approval of the Finance Committee.
- The investment managers should also carefully consider before making any investments that are indirectly associated with the above restrictions. If there is any doubt, the investment managers should seek the permission of the Finance Committee before any investment is made.

The Statement of Investment Principles will be subject to review as required by the Finance Committee and amendments will be advised in writing to the investment managers when applicable.

The Finance Committee aims to meet twice per annum to review the performance of the portfolio and the investment managers. The investment manager presents a report of the investment portfolio at each of these meetings.

The charity adopts a medium risk approach given the uncertainties in the bond and equity markets. Turning to equities, the charity places emphasis on those companies whose abiding characteristic is to generate sustainable and growing cash flows whatever the state of the world economy. There is a focus on long term structural and demographic changes that inform investment decisions.

The Child Health Research Charitable Incorporated Organisation

### **INVESTMENT POLICY AND PERFORMANCE (continued)**

The total return for the 12 months to 31 July 2024 was 11.4% (2023: 0.8%) which was some way above the CPI + 4% primary benchmark return of 6.2% (2023: 10.9%) and also ahead of the peer group ARC Sterling Steady Growth Index at 9.8%. Both the UK and world equity markets achieved strong returns, of 13.5% and 17.2% respectively, as represented by the FTSE All Share Index and the MSCI All Countries World Equity Index. The corporate bond market (BofA ML £ Corporates (1-10Y)) also moved up, by 10.4%, as spreads over government bonds tightened and interest rates remained high.

### **FINANCIAL REVIEW**

The Statement of Financial Activities shows a surplus of £2,317,190 (2023: deficit of £1,349,401) after investment gains for the year ended 31 July 2024. The figure excluding net investment gains was a surplus of £546,816 (2023: deficit of £1,296,485). Grants payable for the year totalled £1,665,111 (2023: £1,499,113).

The net current liability position on the balance sheet of £171,865 (2023: net current liability of £1,285,678) reflects the accounting policy that makes full provision for multi-year grants when they are committed. However, the charity maintains a strong cash position and has adequate funds to meet these liabilities as they fall due over the duration of the grants.

### **RESERVES POLICY AND FINANCIAL POSITION**

As stated above, the charity's primary objective is funding research at the GOS ICH. Research, by its very nature, requires a long-term commitment to resources for success.

The Trustees believe that in normal circumstances, the charity needs between £1million to £2million of unrestricted reserves to take into account expenditure requirements and income fluctuation that may arise.

At 31 July 2024, the charity had total funds of £17,605,968 (2023: £15,288,778). Of these, £7,810,837 (2023: £7,996,770) were restricted and £7,042,104 (2023: 4,518,842) were endowment funds. Unrestricted funds, which constitute the charity's free reserves, were £2,753,027 (2023: £2,773,166).

The Trustees consider the level of general reserves (unrestricted funds of £2,753,027) are appropriate, taking into account their continuing commitments.

The charity has sufficient resources to meet its obligations both from the restricted and unrestricted funds. Cash requirements can be met by realising investment assets.

### **RISK MANAGEMENT**

The charity has for many years adopted a risk assessment policy as part of its strategic plan in meeting its principal objectives. The major risks to which the charity is exposed have been evaluated and systems have been established to lessen and where possible, eliminate these risks.

The key risks for the charity, as identified by the Trustees, are described below together with the principal ways in which they are mitigated:

*Conflict of interest* – Trustees may have a conflict of interest between their duties to the charity and their relationship with the GOS ICH. Such a conflict may arise in, for example, a decision in relation to a funding bid of which a Trustee's department would be a beneficiary. This is mitigated by keeping the conflicts of interest register up to date and following procedures for Trustees to abstain from certain decisions if necessary.

The Child Health Research Charitable Incorporated Organisation

### **RISK MANAGEMENT (continued)**

*Portfolio management* – There is a risk that there are unsatisfactory returns from the investment portfolio. This is mitigated by regular monitoring of the financial returns achieved during biannual Finance Committee meetings.

*Monitoring of returns on investment* – There is a risk that once a grant is awarded, for example to a PhD student, that the outputs from the research may not be as expected. To mitigate this risk, the Trustees work closely with clinical experts to determine the most appropriate projects for grant funding.

### **FUNDRAISING**

The charity does not actively fundraise but does receive funding from a variety of sources including donations and legacies.

### **FUTURE PLANS**

The CHR CIO intends to continue to make regular research grants to the GOS ICH. These grants will be for PhD studentships and to support staff salaries. The CHR CIO will also continue to provide funding to support the purchase of equipment at GOS ICH.

### **STATEMENT OF TRUSTEES' RESPONSIBILITIES**

The Trustees are responsible for preparing the Trustees' Report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Principles).

The law applicable to charities in England and Wales requires the Trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the Charity and the group and of the income and expenditure of the group for that period. In preparing financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to the United Kingdom and Republic of Ireland (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable United Kingdom 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 business.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Charity and which enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the Constitution. The Trustees are responsible for safeguarding the assets of the Charity and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Signed by:  
  
2F1F063543134ED...

06/03/2025

Approved by the Trustees and signed on their behalf by the Chairman

## The Child Health Research Charitable Incorporated Organisation

### **Independent auditor's report to the trustees of The Child Health Research Charitable Incorporated Organisation**

#### **Opinion**

We have audited the accounts of The Child Health Research Charitable Incorporated Organisation (the 'charity') for the year ended 31 March 2024 which comprise the statement of financial activities, the balance sheet, the statements of cash flows, principal accounting policies and the notes to the accounts. 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 accounts:

- ◆ give a true and fair view of the state of the charity's affairs as at 31 July 2024 and of its incoming resources and application of resources 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 Charities Act 2011.

#### **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 accounts section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the accounts 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 accounts, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the accounts 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 accounts 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.

## The Child Health Research Charitable Incorporated Organisation

### **Other information**

The other information comprises the information included in the annual report, including the trustees' report, other than the accounts and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the accounts does not cover the other information and 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 accounts 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 accounts 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.

### **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 trustees' report

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

- ◆ the information given in the trustees' report is inconsistent in any material respect with the accounts; or
- ◆ sufficient accounting records have not been kept; or
- ◆ the accounts are not in agreement with the accounting records; 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 7, the trustees are responsible for the preparation of the accounts 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 accounts that are free from material misstatement, whether due to fraud or error.

In preparing the accounts, 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 charity or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the accounts**

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the accounts as a whole

## The Child Health Research Charitable Incorporated Organisation

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 accounts.

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

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

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

- ◆ making enquiries of management as to 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;
- ◆ assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias.

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

- ◆ reading the minutes of meetings of those charged with governance;
- ◆ agreeing financial statement disclosures to underlying supporting documentation;

## The Child Health Research Charitable Incorporated Organisation

- ◆ enquiring of management as to actual and potential litigation and claims.

As a result of our procedures we did not identify any key audit matters relating to irregularities.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the accounts is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](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 charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Buzzacott LLP  
Statutory Auditor  
130 Wood Street  
London  
EC2V 6DL

Date 24 March 2025

Buzzacott LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

## The Child Health Research Charitable Incorporated Organisation

**Statement of financial activities  
for the year ended 31 July 2024**

		Un-restricted funds	Restricted funds	Endowment funds	<b>Total funds 2024</b>	Total Funds 2023
	Note		£	£	£	£
<b>Income from:</b>						
Donations and legacies	1	192	32,100	2,000,000	2,032,292	32,442
Investments	2	62,391	281,576	-	343,967	330,972
		<u>62,583</u>	<u>313,676</u>	<u>2,000,000</u>	<u>2,376,259</u>	<u>363,414</u>
<b>Expenditure on:</b>						
Raising funds	3	31,721	132,611	-	164,332	160,786
<b>Charitable activities</b>						
Grants payable	4	372,121	1,292,990	-	1,665,111	1,499,113
		<u>403,842</u>	<u>1,425,601</u>	<u>-</u>	<u>1,829,443</u>	<u>1,659,899</u>
<b>Net expenditure for the year before gains on investments</b>		<b>(341,259)</b>	<b>(1,111,925)</b>	<b>2,000,000</b>	<b>546,816</b>	<b>(1,296,485)</b>
Net gains/(losses) on investment assets	7	321,120	925,992	523,262	1,770,374	(52,916)
<b>Net income/(expenditure) and net movement in funds</b>		<b>(20,139)</b>	<b>(185,933)</b>	<b>2,523,262</b>	<b>2,317,190</b>	<b>(1,349,401)</b>
<b>Reconciliation of funds:</b>						
Total fund balances brought forward at 1 August		<u>2,773,166</u>	<u>7,996,770</u>	<u>4,518,842</u>	<u>15,288,778</u>	<u>16,638,179</u>
<b>Total fund balances carried forward at 31 July</b>		<b><u>2,753,027</u></b>	<b><u>7,810,837</u></b>	<b><u>7,042,104</u></b>	<b><u>17,605,968</u></b>	<b><u>15,288,778</u></b>

There were no recognised gains and losses for the current and preceding years other than those included in the statement of financial activities.

## The Child Health Research Charitable Incorporated Organisation

**Statement of Financial Activities (SoFA)  
for the year ended 31 July 2023**

		<i>Un-restricted funds</i>	<i>Restricted funds</i>	<i>Endowment funds</i>	<i>Total funds 2023</i>
	<i>Note</i>	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>
<i>Income from:</i>					
<i>Donations and legacies</i>	<i>1</i>	<i>108</i>	<i>32,334</i>	<i>–</i>	<i>32,442</i>
<i>Investments</i>	<i>2</i>	<i>65,800</i>	<i>265,172</i>	<i>–</i>	<i>330,972</i>
		<i>65,908</i>	<i>297,506</i>	<i>–</i>	<i>363,414</i>
<i>Expenditure on:</i>					
<i>Raising funds</i>	<i>3</i>	<i>32,360</i>	<i>128,426</i>	<i>–</i>	<i>160,786</i>
<i>Charitable activities</i>					
<i>Grants payable</i>	<i>4</i>	<i>557,632</i>	<i>941,481</i>	<i>–</i>	<i>1,499,113</i>
		<i>589,992</i>	<i>1,069,907</i>	<i>–</i>	<i>1,659,899</i>
<i>Net expenditure for the year before gains on investments</i>		<i>(524,084)</i>	<i>(772,401)</i>	<i>–</i>	<i>(1,296,485)</i>
<i>Net (losses)/gains on investment assets</i>	<i>7</i>	<i>(10,519)</i>	<i>(27,979)</i>	<i>(14,418)</i>	<i>(52,916)</i>
<i>Net expenditure and net movement in funds</i>		<i>(534,603)</i>	<i>(800,380)</i>	<i>(14,418)</i>	<i>(1,349,401)</i>
<i>Reconciliation of funds:</i>					
<i>Total fund balances brought forward at 1 August</i>		<i>3,307,769</i>	<i>8,797,150</i>	<i>4,533,260</i>	<i>16,638,179</i>
<i>Total fund balances carried forward at 31 July</i>		<i>2,773,166</i>	<i>7,996,770</i>	<i>4,518,842</i>	<i>15,288,778</i>

## The Child Health Research Charitable Incorporated Organisation

**Balance Sheet at 31 July 2024**

	Note	<b>2024</b> <b>£</b>	2023 £
<b>Fixed assets</b>			
Investments	7	<b>19,143,639</b>	17,525,169
<b>Current assets</b>			
Debtors	8	<b>40,383</b>	26,485
Cash at bank and in hand		<b>2,331,051</b>	1,330,967
		<b>2,371,434</b>	1,357,452
<b>Liabilities:</b>			
Creditors: amounts falling due within one year	9	<b>(2,543,299)</b>	(2,643,130)
<b>Net current (liabilities)</b>		<b>(171,865)</b>	(1,285,678)
<b>Total assets less current liabilities</b>		<b>18,971,774</b>	16,239,491
<b>Long-term liabilities:</b>			
Creditors: amounts falling after more than one year	10	<b>(1,365,806)</b>	(950,713)
<b>Total net assets</b>		<b>17,605,968</b>	15,288,778
<b>The funds of the charity:</b>			
Unrestricted funds	11	<b>2,753,027</b>	2,773,166
Restricted funds	12	<b>7,810,837</b>	7,996,770
Endowment funds	13	<b>7,042,104</b>	4,518,842
<b>Total charity funds</b>		<b>17,605,968</b>	15,288,778

Approved by the Trustees on 06/03/2025 and signed on their behalf by:

Signed by:  
  
 2F1F063543134ED...

**Chairman**

The notes on pages 19 to 28 form an integral part of these financial statements.

## The Child Health Research Charitable Incorporated Organisation

## Statement of cash flows 31 July 2024

	Note	2024 £	2023 £
<b>Cash flows from operating activities:</b>			
Net cash provided by/(used in) operating activities	A	504,213	(1,227,318)
<b>Cash flows from investing activities:</b>			
Investment income	2	343,967	330,972
Proceeds from the disposal of investments		6,218,706	2,691,557
Purchase of investments		(5,245,178)	(3,311,904)
		<u>1,317,495</u>	<u>(289,375)</u>
<b>Change in cash and cash equivalents in the year</b>		<b>1,821,708</b>	<b>(1,516,693)</b>
<b>Cash and cash equivalents at 1 August</b>		<b>1,803,073</b>	<b>3,319,766</b>
<b>Cash and cash equivalents at 31 July</b>	B	<b>3,624,781</b>	<b>1,803,073</b>

## Notes to the statement of cash flows for the year to 31 July

## A Reconciliation of net movement in funds to net cash provided by/(used in) operating activities

		2024 £	2023 £
<b>Net movements in funds (as per the statement of financial activities)</b>			
Gains/(Losses) on investments		(1,770,374)	52,916
Investment income	2	(343,967)	(330,972)
(Increase) in debtors		(13,898)	(2,781)
Increase in creditors		315,262	402,920
<b>Net cash provided by/(used in) operating activities</b>		<b>504,213</b>	<b>(1,227,318)</b>

## B Analysis of cash and cash equivalents

		2024 £	2023 £
Cash at bank and in hand		2,331,051	1,330,967
Cash held by investment managers		1,293,730	472,106
<b>Total charity funds</b>		<b>3,624,781</b>	<b>1,803,073</b>

The Child Health Research Charitable Incorporated Organisation

## **Principal Accounting Policies for the year ended 31 July 2024**

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are laid out below.

### **Basis of preparation**

These financial statements have been prepared for the year to 31 July 2024.

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these financial statements.

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 United Kingdom and Republic of Ireland (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The charity constitutes a public benefit entity as defined by FRS 102.

The financial statements are presented in sterling and are rounded to the nearest pound.

### **Critical accounting estimates and areas of judgement**

Preparation of the financial statements requires the Trustees and management to make significant judgements and estimates.

The items in the financial statements where these judgements and estimates have been made include:

- ◆ estimating the liability for multi-year grant commitments; and
- ◆ the apportionment of investment income, gains and losses between funds.

### **Assessment of going concern**

The Trustees have assessed whether the use of the going concern assumption is appropriate in preparing these financial statements. The Trustees have made this assessment in respect to a period of one year from the date of approval of these financial statements.

The Trustees of the charity have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The Trustees are of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due. The most significant areas of judgement that affect items in the financial statements are detailed above. With regard to the next accounting period, the year ending 31 July 2025, the most significant areas that affect the carrying value of the assets held by the charity are the level of investment return and the performance of the investment markets (see the investment policy and the risk management sections of the Trustees' report for more information).

The net current liability position on the balance sheet of £171,865 (2023: net current liability of £1,285,678) reflects the accounting policy that makes full provision for grants when they are committed. However, the charity maintains a strong cash position and has adequate funds to meet these liabilities as they fall due over the duration of the grants.

## The Child Health Research Charitable Incorporated Organisation

### **Principal accounting policies** 31 July 2024

#### **Income recognition**

Income is recognised in the period in which the charity has entitlement to the income, the amount of income can be measured reliably, and it is probable that the income will be received.

Income comprises donations, investment income and other income.

Donations are recognised when the charity has confirmation of both the amount and settlement date. In the event of donations pledged but not received, the amount is accrued for where the receipt is considered probable. In the event that a donation is subject to conditions that require a level of performance before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that those conditions will be fulfilled in the reporting period.

Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.

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.

#### **Expenditure recognition**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to make a payment 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.

All expenditure is accounted for on an accruals basis. Expenditure comprises direct costs and support costs. All expenses, including support costs, are allocated or apportioned to the applicable expenditure headings. The classification between activities is as follows:

- ◆ Expenditure on raising funds includes all expenditure associated with raising funds for the charity. This includes investment management fees and administration costs.
- ◆ Expenditure on charitable activities includes all costs associated with furthering the charitable purposes of the charity through the provision of its charitable activities. Such costs include charitable grants and support costs, including governance costs.

Grants payable are included in the statement of financial activities when approved and when the intended recipient has either received the funds or been informed of the decision to make the grant and has satisfied all performance conditions. Grants approved but not paid at the end of the financial year are accrued. Grants where the beneficiary has not been informed or has to fulfil performance conditions before the grant is released are not accrued for but are disclosed as financial commitments in the notes to the financial statements.

The provision of a multi-year grant is recognised at its present value where settlement is due over more than one year from the date of the award, there are no unfulfilled performance conditions under the control of the charity that would permit the charity to avoid making the future payments and settlement is probable.

All expenditure is stated inclusive of irrecoverable VAT.

## The Child Health Research Charitable Incorporated Organisation

**Principal accounting policies** 31 July 2024**Fixed asset investments**

Listed investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. The charity does not acquire put options, derivatives or other complex financial instruments.

Realised gains (or losses) on investment assets are calculated as the difference between disposal proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value at that date. Realised and unrealised investment gains (or losses) are combined in the statement of financial activities and are credited (or debited) in the year in which they arise.

**Debtors**

Debtors are recognised at their settlement amount, less any provision for nonrecoverability. Prepayments are valued at the amount prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material.

**Cash at bank and in hand**

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition.

**Creditors and provisions**

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the charity anticipates it will pay to settle the debt. They have been discounted to the present value of the future cash payment where such discounting is material.

**Funds**

**Unrestricted funds** are those available for the general purposes of the Charity and their use is set out in the Constitution.

**Restricted funds** are those funds whose purposes have been restricted by the donor to specific areas of research as set out in note 12.

**Endowment funds** are those funds whose purposes have been endowed by the donor to a specific area of research and where the capital is not expendable as set out in note 13.

Income from investments, expenditure on administration fees, investment management fees and gains and losses on investments are apportioned to the active restricted and unrestricted funds on the basis of the average value of each fund during the year.

## The Child Health Research Charitable Incorporated Organisation

## Notes to the financial statements

31 July 2024

**1 Donations**

	<b>2024</b>	2023
	<b>£</b>	£
Donations and legacies		
. Unrestricted funds	<b>192</b>	108
. Endowment funds	<b>2,000,000</b>	-
. Restricted funds	<b>32,100</b>	32,334
	<b>2,032,292</b>	32,442

**2 Investment income**

	<b>2024</b>	2023
	<b>£</b>	£
Dividends and interest receivable		
. Unrestricted funds	<b>62,391</b>	65,800
. Restricted funds	<b>281,576</b>	265,172
	<b>343,967</b>	330,972

**3 Expenditure on raising funds**

	<b>2024</b>	<b>2023</b>
	<b>£</b>	£
Investment management fees		
. Unrestricted funds	<b>26,575</b>	28,945
. Restricted funds	<b>119,936</b>	117,314
Administration		
. Unrestricted funds	<b>5,146</b>	3,251
. Restricted funds	<b>12,675</b>	11,276
	<b>164,332</b>	160,786

**4 Expenditure on charitable activities**

<b>Unrestricted funds</b>	<b>2024</b>	2023
	<b>£</b>	£
Grants payable		
. Postgraduate studentships	<b>492,115</b>	441,388
. Other	<b>226,963</b>	161,031
Grants no longer required	<b>(354,244)</b>	(55,620)
Governance costs (note 5)	<b>7,287</b>	10,833
	<b>372,121</b>	557,632

## The Child Health Research Charitable Incorporated Organisation

## Notes to the financial statements 31 July 2024

## 4 Expenditure on charitable activities (continued)

<b>Restricted funds</b>	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>
Grants payable		
. Chair of Developmental Neurobiology	<b>68,799</b>	81,048
. Chair of Childhood Epilepsy	<b>234,268</b>	214,256
. Help a Child to See	<b>65,219</b>	78,642
. Genetics fund	<b>710,389</b>	450,743
. Jim Seakins Travel	<b>200</b>	2,521
. Children's Eye Group Travelling Fellowship	<b>43,070</b>	-
. Roland Levinsky Studentship	<b>104,638</b>	-
. John Lipscombe Memorial travel award	<b>2,567</b>	3,605
. Wheeler Scholarship	<b>32,100</b>	83,226
Governance costs (note 5)	<b>31,740</b>	27,440
<b>Total restricted funds</b>	<b>1,292,990</b>	941,481
<b>Total funds</b>	<b>1,665,111</b>	1,499,113

## 5 Governance costs

	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>
Auditor's remuneration		
. Audit fees – current year	<b>21,000</b>	11,700
. Audit fees – prior year	<b>5,280</b>	10,228
Accountancy fees	<b>7,615</b>	-
Legal and bank fees	<b>5,131</b>	16,345
	<b>39,026</b>	38,273

## The Child Health Research Charitable Incorporated Organisation

## Notes to the financial statements

31 July 2024

**6 Staff costs and numbers and remuneration of key management personnel**

The average number of persons working for the charity during the year was as follows:

	<b>2024</b>	2023
Administration (part-time)	<b>2</b>	2

The aggregate amount of salaries, wages and related costs of employees is comprised as follows:

	<b>2024</b>	2023
	<b>£</b>	£
Wages and salaries	<b>11,177</b>	9,621
Social security costs	<b>1,334</b>	1,104
Other pension costs	<b>3,071</b>	3,332
	<b>15,582</b>	14,057

This is a recharge of salary costs from the UCL GOS Institute of Child Health to the Child Health Research CIO as no staff are actually employed by the Child Health Research CIO.

The key management personnel of the charity in charge of directing and controlling, running and operating the charity on a day to day basis comprise the trustees and the ICH Finance Manager and ICH Institute Manager. The total remuneration (including taxable benefits and employer's pension contributions) of the key management personnel for the year was £15,582 (2023: £14,057).

No trustee received any form of emoluments from the charity during the year (2023: £nil). No trustee has been reimbursed for expenses incurred during the year (2023: £nil).

**7 Investments**

The investments of the Child Health Research CIO are managed by Meridiem Investment Limited.

	<b>2024</b>	<b>2024</b>	2023	2023
	<b>At cost</b>	<b>Market</b>	At cost	Market
	<b>£</b>	<b>Value £</b>	£	Value £
Fixed interest	<b>2,738,141</b>	<b>2,879,092</b>	4,035,339	4,099,938
Equities	<b>7,953,163</b>	<b>13,908,684</b>	7,521,375	12,444,243
Funds	<b>256,536</b>	<b>308,800</b>	256,536	295,200
Other	<b>645,043</b>	<b>753,333</b>	184,643	213,682
Listed investments total	<b>11,592,883</b>	<b>17,849,909</b>	11,997,893	17,053,063
Cash with brokers	<b>1,293,730</b>	<b>1,293,730</b>	472,106	472,106
<b>Total investments</b>	<b>12,886,613</b>	<b>19,143,639</b>	12,469,999	17,525,169

## The Child Health Research Charitable Incorporated Organisation

## Notes to the financial statements

31 July 2024

**7 Investments (continued)**

	<b>2024</b>	2023
	<b>£</b>	£
Balance brought forward	<b>17,053,063</b>	16,485,632
Additions during the year	<b>5,245,178</b>	3,311,904
Opening market value of disposals (proceeds £6,218,706, realised loss £305,593)	<b>(6,524,299)</b>	(2,711,734)
Unrealised gains / (losses)	<b>2,075,967</b>	(32,739)
	<b>17,849,909</b>	17,053,063

**8 Debtors**

	<b>2024</b>	2023
	<b>£</b>	£
Other debtors	<b>40,383</b>	26,485
	<b>40,383</b>	26,485

**9 Creditors: amounts falling due within one year**

	<b>2024</b>	2023
	<b>£</b>	£
Grants payable	<b>2,480,547</b>	2,594,050
Other creditors	<b>62,752</b>	49,080
	<b>2,543,299</b>	2,643,130

**10 Creditors: amounts falling due after one year**

	<b>2024</b>	2023
	<b>£</b>	£
Grants payable	<b>1,365,806</b>	950,713
	<b>1,365,806</b>	950,713

## The Child Health Research Charitable Incorporated Organisation

## Notes to the financial statements

31 July 2024

## 11 Unrestricted funds

	Balance as at 1 August 2023 £	Income £	Expenditure £	Gains/ Losses £	Transfers £	Balance as at 31 July 2024 £
Unrestricted funds	2,773,166	62,583	(403,842)	321,120	-	2,753,027
	<u>2,773,166</u>	<u>62,583</u>	<u>(403,842)</u>	<u>321,120</u>	<u>-</u>	<u>2,753,027</u>

	Restated bal as at 1 August 2022 £	Income £	Expenditure £	Gains/ Losses £	Transfers £	Balance as at 31 July 2023 £
Unrestricted funds	3,307,769	65,908	(589,992)	(10,519)	-	2,773,166
	<u>3,307,769</u>	<u>65,908</u>	<u>(589,992)</u>	<u>(10,519)</u>	<u>-</u>	<u>2,773,166</u>

## The Child Health Research Charitable Incorporated Organisation

## Notes to the financial statements

31 July 2024

## 12 Restricted funds

	Balance as at 1 Aug 2023 £	Donations £	Investment income £	Grants (approved) released £	Other costs £	Gains/ Losses £	Balance as at 31 July 2024 £
Help a Child to See	112,452	-	2,124	(65,594)	(1,055)	10,878	58,805
Children's Eye Group Travelling Fellowship (Claude Worth Fund)	274,200	-	-	(43,070)	-	-	231,130
Caring for Kids	70,186	-	-	-	-	-	70,186
Genetics Fund	3,280,490	-	77,828	(724,119)	(49,372)	398,546	2,983,373
Dematomyositis Research	64,208	-	-	-	-	-	64,208
Chair of Childhood Epilepsy	3,488,333	-	89,691	(250,090)	(44,521)	459,296	3,742,709
Simpson-Smith Travelling Fellowship	235,059	-	6,253	(1,103)	(3,104)	32,025	269,130
Department of Paediatric Surgery	103,693	-	-	-	-	-	103,693
Anne Hamilton Award – Prize Studentship	17,743	-	-	-	-	-	17,743
Siemens Nuclear Medical Research	34,347	-	-	-	-	-	34,347
Kidney Research William Bequest	43,936	-	-	-	-	-	43,936
Simpson-Smith Memorial Lectureship	42,543	-	1,132	(200)	(562)	5,796	48,709
Chair of Developmental Neurobiology	-	-	100,750	(68,638)	(32,112)	-	-
Jim Seakins Travel Fund	24,355	-	645	(314)	(320)	3,305	27,671
John Lipscombe Memorial Travel Award	39,392	-	1,014	(2,746)	(503)	5,192	42,249
Bill Marshall Memorial Fellowship	366	-	10	(2)	(5)	50	419
Roland Levensky Studentship	132,354	-	2,129	(105,014)	(1,057)	10,904	39,316
Wheeler Scholarship	28,936	32,100	-	(32,100)	-	-	28,936
Cystic Fibrosis	4,177	-	-	-	-	-	4,177
	<b>7,996,770</b>	<b>32,100</b>	<b>281,576</b>	<b>(1,292,990)</b>	<b>(132,611)</b>	<b>925,992</b>	<b>7,810,837</b>

The following restricted funds support salary costs of Principal Investigators at the UCL GOS Institute of Child Health:

- ◆ Chair of Developmental Neurobiology (income derived from Glaxo Wellcome endowment fund)
- ◆ Chair of Childhood Epilepsy

The Child Health Research Charitable Incorporated Organisation

**Notes to the financial statements**

31 July 2024

**12 Restricted funds** (continued)

The following restricted funds support travel, research and subsistence costs for students awarded grants from the CIO:

- ◆ Jim Seakins Travel Fund
- ◆ John Lipscombe Memorial Travel Award
- ◆ Bill Marshall Memorial Fellowship

The following restricted funds support travelling fellowships and memorial lectures where the UCL GOS Institute of Child Health attracts high-quality speakers and researchers to work with the department on a temporary basis:

- ◆ Children's Eye Group Travelling Fellowship (Claude Worth Fund)
- ◆ Simpson-Smith Travelling Fellowship
- ◆ Simpson-Smith Memorial Lectureship

The Genetics fund is an historic award. Jeans for Genes would perform annual fundraising which was allocated to GOSH Children's Charity

and then subsequently transferred over to the CIO. There is no new income into this fund as the partnership between Jeans for Genes and GOSH has been dissolved.

Other restricted funds are legacy funds that the CIO intends to engage with original donors (where possible) to see if the money can be used more widely than their original intended purpose.

## The Child Health Research Charitable Incorporated Organisation

## Notes to the financial statements

31 July 2024

## 12 Restricted funds (continued)

	Balance as at 1 Aug 2022 £	Donations £	Investment income £	Grants (approved) released £	Other costs £	Gains/ Losses £	Balance as at 31 July 2023 £
Help a Child to See	190,332	-	3,438	(78,642)	(2,126)	(550)	112,452
Children's Eye Group Travelling Fellowship (Claude Worth Fund)	274,200	-	-	-	-	-	274,200
Caring for Kids	70,186	-	-	-	-	-	70,186
Genetics Fund	3,729,754	-	79,779	(450,743)	(65,612)	(12,688)	3,280,490
Dematomyositis Research	64,208	-	-	-	-	-	64,208
Chair of Childhood Epilepsy	3,684,537	-	81,441	(214,256)	(50,368)	(13,021)	3,488,333
Simpson-Smith Travelling Fellowship	233,880	-	5,324	-	(3,293)	(852)	235,059
Department of Paediatric Surgery	103,693	-	-	-	-	-	103,693
Anne Hamilton Award – Prize Studentship	17,743	-	-	-	-	-	17,743
Siemens Nuclear Medical Research	34,347	-	-	-	-	-	34,347
Kidney Research William Bequest	43,936	-	-	-	-	-	43,936
Simpson-Smith Memorial Lectureship	42,329	-	964	-	(596)	(154)	42,543
Chair of Developmental Neurobiology	22,398	-	89,764	(81,048)	(31,114)	-	-
Jim Seakins Travel Fund	26,746	-	580	(2,521)	(358)	(92)	24,355
John Lipscombe Memorial Travel Award	37,802	5,000	876	(3,605)	(541)	(140)	39,392
Bill Marshall Memorial Fellowship	364	-	8	-	(4)	(2)	366
Roland Levensky Studentship	131,690	-	2,998	-	(1,854)	(480)	132,354
Wheeler Scholarship	84,828	27,334	-	(83,226)	-	-	28,936
Cystic Fibrosis	4,177	-	-	-	-	-	4,177
	<b>8,797,150</b>	<b>32,334</b>	<b>265,172</b>	<b>(914,041)</b>	<b>(155,866)</b>	<b>(27,979)</b>	<b>7,996,770</b>

The Child Health Research Charitable Incorporated Organisation

Notes to the financial statements

31 July 2024

13 Endowment funds

	2024 £	2023 £
Glaxo Wellcome – Chair of Developmental Neurobiology		
Balance brought forward 1 August 2023	4,518,842	4,533,260
Realised/unrealised gains/(losses)	523,262	(14,418)
<b>Balance carried forward 31 July 2024</b>	<b>5,042,104</b>	<b>4,518,842</b>
Louis Dundas – Chair in Palliative Care		
Balance brought forward 1 August 2023	-	-
Received in year	2,000,000	-
<b>Balance carried forward 31 July 2024</b>	<b>2,000,000</b>	<b>-</b>
<b>Total Endowment Funds at 31 July 2024</b>	<b>7,042,104</b>	<b>4,518,842</b>

14 Analysis of group net assets between funds

	Investments £	Current Assets £	Liabilities £	2024 Total £	2023 Total £
Endowment funds	7,042,104	-	-	7,042,104	4,518,842
Restricted funds	9,510,831	-	(1,699,994)	7,810,837	7,996,770
General funds	2,590,704	2,371,434	(2,209,111)	2,753,027	2,773,166
	19,143,639	2,371,434	(3,909,105)	17,605,968	15,288,778

	Investments £	Current Assets £	Liabilities £	2023 Total £	2022 Total £
Endowment funds	4,518,842	-	-	4,518,842	4,533,260
Restricted funds	10,228,754	-	(2,231,984)	7,996,770	8,797,150
General funds	2,777,573	1,357,452	(1,361,859)	2,773,166	3,307,769
	17,525,169	1,357,452	(3,593,843)	15,288,778	16,638,179

The total unrealised gains as at 31 July 2024 constitutes movements on revaluation and are as follows:

## The Child Health Research Charitable Incorporated Organisation

## Notes to the financial statements

31 July 2024

**14 Analysis of group net assets between funds (continued)**

	<b>2024</b>	2023
	£	£
<b>Unrealised gains included above:</b>		
On investments	<b>6,257,026</b>	5,055,170
<b>Total unrealised gains at 31 July</b>	<b>6,257,026</b>	5,055,170
<b>Reconciliation of movements in unrealised gains</b>		
Unrealised gains at 1 August	<b>5,055,170</b>	5,848,594
Less: in respect to disposals in the year	<b>(874,111)</b>	(760,685)
	<b>4,181,059</b>	5,087,909
Add: net gains / (losses) arising on revaluation in the year	<b>2,075,967</b>	(32,739)
<b>Total unrealised gains at 31 July</b>	<b>6,257,026</b>	5,055,170

**15 Connected charities**

Professor Andrew Copp and Helen Cross, who are Trustees of the Charity, are also Trustees of the following organisation:

UCL GOS Institute of Child Health – An Institute of University College London (UCL). Its primary objective is the provision of education and medical research.

During the year, grants totalling £2,038,646 (2023: £1,481,819) were awarded to UCL GOS Institute of Child Health. At 31 July 2024, grants totalling £3,896,372 (2022: £3,575,742) were payable to UCL GOS Institute of Child Health.

In addition, these charities share common administrative facilities and hence involve cross charges of expenditure. The key management personnel of the charity in charge of directing and controlling, running and operating the charity on a day to day basis comprise the trustees and the ICH Finance Manager and ICH Institute Manager. The total remuneration (including taxable benefits and employer's pension contributions) of the key management personnel for the year was £15,582 (2023: £14,057).

**16 Taxation**

The Child Health Research Charitable Incorporated Organisation is a registered charity and is exempt under Part 11 of the Corporation Tax Act 2010 on its income and S256 Taxation of Chargeable Gains Act 1992 on its capital gains.

The Trust is not registered for VAT and the expenditure includes VAT where applicable.

**17 Related parties**

Professor Andrew Copp, who is a Trustee of the Charity, has a portion of his salary at the UCL GOS Institute of Child Health funded by the Chair of Developmental Neurobiology (Glaxo Wellcome) endowment fund (note 13). Professor Helen Cross, who is a Trustee of the Charity, has a portion of her salary at the UCL GOS Institute of Child Health funded by the Chair of Childhood Epilepsy fund (note 12). Other than the transactions referenced above and in note 15, there have been no related party transactions

**THE CHILD HEALTH RESEARCH CIO**

England & Wales - Charity number 1152623

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# Accounts

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The Trustees  
Child Health Research CIO  
Finance Department  
UCL  
Institute of Child Health  
30 Guilford Street  
London  
WC1N 1EH

9 May 2024

**Our ref CHR001/CB/RU**

Dear Trustees

## **Post-Audit Report – Year ended 31 July 2023**

The purpose of this letter is to bring to the attention of the Board as those charged with governance and management the findings from our recent audit of the financial statements of Child Health Research CIO, for the year ended 31 July 2023, for your consideration and to enable you to address matters arising where appropriate. Throughout this letter, “you” and “your” refer to the Board. “We” and “our” refer to Buzzacott LLP. We appreciate that you will already be aware of some of the matters contained in this letter. However, in accordance with International Standards on Auditing (UK) (ISAs) we are communicating them to you formally.

### **1. Purpose of the audit**

As auditor, we are responsible for performing the audit in accordance with ISAs (UK), which is directed towards forming and expressing an opinion on the financial statements for the year ended 31 July 2023 that have been prepared by management with the oversight of those charged with governance, and other matters required by legislation.

Our work has been carried out in accordance with our audit planning letter dated 20 October 2023.

Our audit work included consideration of the internal controls relevant to the preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of your system of internal control.

The matters being reported are limited to those that were identified during the audit and that we conclude are of sufficient importance to merit being reported to those charged with governance.

## 2. Audit progress

The audit progressed within the agreed timetable however, due to the change in Finance Manager during the year, some delays in receiving supporting documentation for multi-year grants awarded in previous years were noted.

There is one area of the accounts that we would like to bring to your attention:

- Review of un-paid grants. During our audit work we noted that there were grants within creditors totalling £316,380 (breakdown below) where there have been no movements for a number of years. These were reviewed by the Finance Manager and it was established that £169,770 of the total balance relates to valid creditor balances, £55,620 relates to amounts already paid and therefore will be written back and £90,990 relates to balances that are yet to be investigated. An adjustment to write back £55,620 has been set out in Appendix 1.

Project Number/Reference	Carried forward	Valid balance	To be written back	To be reviewed
2x Lecturerships - PPP and GGM	55,402			55,402
Laboratory refurbishment	33,214		33,214	
Postgraduate Support for Tuition Fees	12,000			12,000
2015-16/STU 5 (535685)	14,257		14,257	
Persis Amrolia (546618)	104,015	95,866	8,149	
Bill Marshall Memorial Fund - Jimba Jatsho	5,500			5,500
Bill Marshall Memorial Fund - Nickson Boon Khean Tai	5,500			5,500
Strategic initiatives - Paula Alexandre	14,099	14,099		
Strategic initiatives - Jonathan Clayden	3,000	3,000		
Strategic initiatives - Jeanne Wolstencroft	29,620	29,620		
Strategic initiatives - Gabriel Galea	27,185	27,185		
Sum of individual balances < £2,000	12,587			12,587
	<b>316,380</b>	<b>169,770</b>	<b>55,620</b>	<b>90,990</b>

We would like to take this opportunity to thank all those with whom we dealt during the audit for their assistance and co-operation, in particular Mr Jon Burt.

### **3. Annual report and financial statements' format**

The financial statements have been prepared, as last year, in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice (Charities SORP FRS 102).

There are no significant changes to the format of the financial statements this year.

### **4. Auditor's report**

We do not propose any modifications to our audit opinion and, therefore, we intend to issue an unqualified opinion in our auditor's report.

### **5. Adjustments made during the audit**

A list of the adjustments which have been made to the figures presented to us for audit is attached as Appendix A. These have all been discussed and agreed with Jon Burt.

We will obtain written representations from you, as trustees, that you concur with these adjustments.

### **6. Unadjusted misstatements**

A list of misstatements identified during our audit which remain unadjusted is attached in Appendix A. The list does not include items which are considered to be clearly trivial. We will obtain written representations from you, as trustees, that these are not to be adjusted, due to their lack of significance to the overall result portrayed by the financial statements.

### **7. Accounting policies, accounting estimates and disclosures**

The accounting policies used in preparing the financial statements are unchanged from the previous year.

Our work included a review of the adequacy of disclosures in the financial statements and consideration of the appropriateness of the accounting policies and estimation techniques adopted by the charity. We found the disclosed accounting policies, significant accounting estimates and the overall disclosure and presentation to be appropriate for the charity.

### **8. Letter of representation**

We enclose the draft letter of representation which we will request management and the trustees to approve and sign at the same time as the financial statements. This includes acknowledgement of the trustees' responsibility for the design and implementation of internal controls to prevent and detect fraud.

As set out in our planning letter, we understand the following applied to the year ended 31 July 2023:

- Trustees exercised effective oversight of management's processes for identifying and responding to the risks of fraud in the charity and a system of internal controls was in place to mitigate these fraud risks.
- Trustees were not aware of any instances of actual, suspected, or alleged fraud, including misconduct or unethical behaviour related to financial reporting or misappropriation of assets.
- There have not been any out of the ordinary transactions.
- If the above information is no longer correct, please contact Catherine Biscoe or Ruby Umfreville.

## 9. Accounting and internal control systems

Our work during the audit included an examination of some of the charity's transactions, procedures and controls with a view to expressing an opinion on the financial statements for the year ended 31 July 2023.

This work was not directed primarily towards discovering weaknesses, other than those that would affect our audit opinion, or towards the detection of fraud. We have included in this report only matters that have come to our attention as a result of our normal audit procedures and consequently our comments should not be regarded as a comprehensive record of all weaknesses that may exist or of all improvements that might be made.

We found no significant deficiencies in the accounting and internal control systems during our audit. However, we have made some recommendations for improvements, which are detailed in the section below.

## 10. Observations and recommendations on the accounting system and financial reporting function

The table below provides a summary of any observations made concerning weaknesses in the charity's accounting and internal control systems.

Observations included in the "A" grade (red) banding indicate that, in our opinion, there is a risk of significant financial impact on the charity that must be addressed immediately.

"B" grade (orange) banding recommendations relate to those issues where there is a risk of moderate financial impact on the charity such as a control failure or the absence of a control in an area of moderate risk. These items should be addressed shortly.

Observations included in the "C" grade (yellow) banding indicates that the matter, although important, does not warrant urgent attention and should be addressed within an agreed timeframe.

Priority	No of points	Relating to
<b>A</b>	<b>2</b>	Preparation of management accounts Declaration of interest forms
<b>B</b>	<b>1</b>	Retention of supporting documentation for grand awards

Further details in respect of the observations and recommendations as a result of our audit work are given in Appendix B.

The matters have all been discussed with Mr Jon Burt who has appropriate management authority.

## 11. Materiality

**Materiality threshold £283,000**

**Reporting threshold: £14,100**

Materiality refers to the relative significance of a particular matter in the context of the financial statements as a whole. An item would be considered material if its omission or its erroneous inclusion would reasonably influence the decisions of those using the financial statements.

We are required to report corrected audit misstatements, and uncorrected audit misstatements in excess of our reporting threshold which is set at 5% of overall materiality.

Our overall materiality threshold is based on 1.5% of total gross assets. A lower level of materiality based on 1.5% of expenditure has been selected for specific areas of the financial statements, including income, expenditure, current assets and liabilities. A threshold of £1,000 has been selected for disclosure items such as transactions and other financial arrangements with trustees and their connected persons.

When considering the impact of misstatements discovered during the course of our audit and considering the implications for our report of such misstatements, we will refer to this level amongst other things. Whether a misstatement is 'material' or not is ultimately down to the auditor's judgement.

## 12. Professional ethics

In accordance with our profession's ethical guidance and further to our letter to you dated 20 October 2023 confirming audit planning arrangements there are no further matters to bring to your attention in relation to Integrity, Objectivity and Independence.

## 13. Current developments

We have attached a summary of other recent and ongoing developments as Appendix C to this report. The matters included in this appendix may not all be directly relevant to the charity. However, we are aware that a lot of trustees are involved with more than one organisation, therefore we have included items for general information.

## 14. Updates, insights and seminars

As part of our commitment to the charity sector, during the year the Charity Team issues occasional Updates and Insights on matters of relevance to the sector and also holds a number of seminars free of charge throughout the year. We would be delighted to welcome representatives of your charity to our seminars or to add trustees and management to our email distribution lists if this would be welcome. News and Insights are also available on our website at [News and insights \(buzzacott.co.uk\)](https://www.buzzacott.co.uk/news-and-insights), where there is also an opportunity to sign up to our mailing list should you wish.

## Conclusion

This letter has been prepared for your private use only. It has been prepared on the understanding that it will not be shared with any third party without our prior written consent and we can therefore assume no responsibility to any other party. Any recommendations contained herein are based on the information you have provided and UK law and judicial and administrative interpretation as of the date of this letter. Should the facts provided to us be incorrect or incomplete, or should they change, our recommendations may be inappropriate. Buzzacott LLP accepts no liability for losses arising from changes in UK law, interpretation or practice or in public policy that are first published after the date of this letter.

If you require any further information or assistance, we shall be very pleased to help you.

We would be pleased to receive your comments and reaction to this letter.

Yours faithfully



## Appendix A: Adjusted and unadjusted misstatements

### Adjusted misstatements

		Statement of Financial Activities		Balance Sheet	
		Debit £	Credit £	Debit £	Credit £
<b>1</b>	DR Creditors due in less than one year CR Grant expenditure <i>Being the write back of historic creditor balances</i>		55,620	55,620	
<b>2</b>	DR Grant expenditure CR Grants payable > 1 year <i>Being an under accrual of the studentship grants awarded in 22/23</i>	24,641			24,641

The above adjustments had the effect of decreasing the charity's deficit by £30,979.

## Appendix B: Audit observations and recommendations

	Observation	Implication	Recommendation
A	<p><b>Preparation of management accounts</b></p> <p>It was highlighted at the planning meeting that management accounts have not been prepared since the departure of the former UCL Finance Manager. A schedule reconciling grants falling due within one year and in excess of one year has not been maintained and therefore the CIO has relied on financial information provided by UCL. As a result, the Trustees have been unable to accurately monitor the CIO's financial position and, more importantly, its liabilities.</p>	<p>There is a risk that the Trustees are unable to monitor the level of cash resources held by the CIO to meet its obligations from both restricted and unrestricted funds. In addition, there is a risk that the Trustees make decisions on the value and timing of future grant awards based on inaccurate financial information.</p>	<p>We <b>recommend</b> that management accounts are prepared on a regular basis, at least quarterly, and are presented to the Trustees for review and to assist them with future decision making.</p> <p>We understand that, following the audit fieldwork, the Trustees have made the decision to seek management accounts preparation assistance from an external contractor. A small number of contractors/firms have been approached by the Trustees with the proposal of preparing management accounts for the CIO for a period of at least one year.</p>

	Observation	Implication	Recommendation
A	<p><b>Declarations of interest forms</b></p> <p>During our testing of related party transactions, we were only able to obtain declaration of interest forms for 4 Trustees.</p> <p>We noted during our work on related party transactions that the charity does not require its trustees and key management personnel to document their close family members (defined in the Charities SORP FRS 102 as: children or spouse; the children, stepchildren or illegitimate children of spouse or domestic partner; dependants; or domestic partner who lives with them as husband or wife or in an equivalent same-sex relationship) and their pecuniary interests for the purposes of identifying transactions with related parties.</p>	<p>There is a risk that transactions with related parties are not identified by management or the Board of Trustees and therefore not disclosed within the financial statements.</p> <p>Without such a procedure in place, there is a risk, however slight, that the charity may unknowingly engage in transactions with close family members of trustees or management, organisations controlled by these individuals.</p> <p>It is important that such transactions are recognised and disclosed because:</p> <ul style="list-style-type: none"> <li>related parties may enter into transactions that unrelated parties would not;</li> <li>transactions between related parties may not be made at the same amounts or on the same terms as those between unrelated parties, i.e. they may not represent the best value for money for the charity; and</li> <li>the existence of the relationship may be sufficient to affect the transactions of the charity with other parties.</li> </ul> <p>Furthermore, failure to disclose transactions with the individuals noted above may represent a material omission of required disclosure in the charity’s financial statements, since transactions with connected parties are generally considered to be material by nature.</p>	<p>We <b>recommend</b> that all trustees complete declarations of interest on an annual basis and that these also include details of close family members.</p> <p>We <b>recommend</b> that the charity expands its declaration of interests forms to include the close family members of trustees and management, as well as any business ventures controlled by close family members.</p>

	Observation	Implication	Recommendation
<b>B</b>	<p><b>Retention of supporting documentation for grant awards</b></p> <p>During our testing of grants payable, it was noted that award letters for grants approved in previous years could not be obtained. Therefore, we were unable to verify the total grant award for a sample of 2 balances.</p>	<p>There is a risk that the total grant award letters used to calculate the grant payable at year end is not accurate.</p>	<p>we <b>recommend</b> that grant award letters be retained and filed digitally in an accessible location.</p>

**Child Health Research CIO  
Post-Audit Report  
For the year ended 31 July 2023**

**Current developments**

### Revised Auditing Standard

#### Trustees' Annual Report and Accounts

#### Changes to UK GAAP

In March 2024, the Financial Reporting Council published amendments to *FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

The amendments encompass a number of changes including:

- a new model of revenue recognition designed to align UK GAAP with IFRS 15 *Revenue from Contracts with Customers*;
- a new model of lease accounting which brings assets under operating leases on to the balance sheet, designed to align UK GAAP with IFRS 16 *Leases*; and
- various other incremental improvements and clarifications.

The amendments will be effective for accounting periods beginning on or after 1 January 2026 and can be read at: [https://media.frc.org.uk/documents/Amendments\\_to\\_FRS\\_102\\_and\\_other\\_FRSs.pdf](https://media.frc.org.uk/documents/Amendments_to_FRS_102_and_other_FRSs.pdf)

#### Development of new Charity Statement of Recommended Practice (SORP)

The new Charities Statement of Recommended Practice (SORP) had been expected to be published in August 2024 but a revised timeline for release is being considered. An update on this will be issued in due course.

Background on the 15 topics for change that have been considered by the SORP Committee are available at: <https://charitySORP.org/engage-briefings-to-inform-the-engagement-process-in-developing-the-next-sorp>

#### Charities Act 2022

The phased implementation of the Charities Act 2022 is now complete with all changes now being applied. The key changes relate to how trusts and unincorporated associations make changes to governing documents, new rules around selling, leasing or disposing of land and new guidelines on how gifts to charities that are merging are treated.

Further information can be found at: <https://www.gov.uk/guidance/charities-act-2022-guidance-for-charities>

## Sustainability and reporting

Whilst many companies and organisations are including sustainability and climate change-related information in their annual reports, only the largest private and listed companies are required to provide such information. This disclosed information is not yet subject to any independent 'checking' which has resulted in the 'greenwashing' claims about some unverified information contained in annual reports.

June 2023 saw the issue of the first two international sustainability reporting standards aimed at improving trust and confidence in company disclosures about sustainability and climate change. The two IFRS Sustainability Disclosure Standards are internationally effective from 1 January 2024 although they have not yet been adopted by UK standard setters. However, it is likely that compliance will become mandatory in the near future. To begin with, the obligation may only be for large companies but, the 'trickle down' process is likely to require many organisations to ensure that they can provide adequate information to others in their supply chain who have the reporting obligation. As is usually the way, the reporting obligation will ultimately be extended to smaller and not-for-profit entities.

In anticipation of the above, it is advisable to start discussions around sustainability reporting and data early and more information can be found at: <https://www.ifrs.org/issued-standards/ifrs-sustainability-standards-navigator/>.

## Policy and Governance

### Charity Commission 2024-2029 Strategy

The Charity Commission has published its new strategy with five key priorities:

- To be fair and proportionate in its work and clear about its role;
- To support charities to get it right but take robust action where they see wrongdoing and harm;
- To speak with authority and credibility, free from the influence of others;
- To embrace technological innovation and strengthen how its data is used; and
- To be the expert Commission - where its people are empowered and enabled to deliver excellence in regulation.

The regulator is in the process of identifying a set of strategic impact measures which will be published in mid-2024. The Commission aims to report against those measures for the first time in the Annual Report for 2024-25, which will be published in July 2025.

The full strategy can be read at: <https://www.gov.uk/government/publications/charity-commission-strategy-2024-2029/charity-commission-strategy-2024-2029>

### **Charity Commission guidance on cost of living pressures**

The Charity Commission has published guidance on managing financial difficulties as a result of the cost of living crisis covering key topics regarding trustee duty and decision-making, practical tips on what to do in situations where charities are in financial difficulty, what to do if the charity cannot continue to operate and a reminder on reporting serious incidents.

The detailed guidance can be seen at: <https://www.gov.uk/guidance/manage-financial-difficulties-in-your-charity-arising-from-cost-of-living-pressure>

### **Charity Fraud Report 2023**

The Fraud Advisory Panel issued its 2023 Charity Fraud Report in January 2024 following a survey of 121 charities, of which 62% generated income of over £10m, within the UK. The below key findings were noted:

- 36% of charities have experienced more instances of fraud than in the previous year;
- 50% of detected frauds were perpetrated internally (by staff, trustees or volunteers);
- 67% of charities agree that the cost-of living crisis has increased fraud risk; and
- 92% of charities who suffered a fraud experienced financial losses due to fraud (compared to 69% in 2022), with there being a shift to higher value frauds (over £10,000) taking place.

The report identifies that the most common frauds relate to misappropriation of cash or other assets, expenses, procurement, false beneficiaries or cyber matters with two-thirds of charities reporting that frauds were detected as a result of internal controls in place indicating the importance of designing a control environment with fraud risk at the centre.

Fraud prevention strategies include ensuring robust policies are in place (and are being followed) on cybersecurity, anti-fraud and conflicts of interest, whilst also ensuring adequate training is provided to those associated with the charity on a regular basis. A fraud response plan should also be devised and implemented in case of any adverse event.

The full report, including the Panel's top tips for preventing fraud (on page 22 and 23) can be read at: <https://www.fraudadvisorypanel.org/document/2023-charity-fraud-report/>

## Annual Return 2022 findings

The Charity Commission has recently released the Annual Return 2022, highlighting key trends across the sector for financial years ending in 2022. The key trends are as follows:

- Total gross income increased by 8.5% from 2021 figures to £90.3 billion;
- Gross expenditure increased by 9.2% totalling £87.4 billion;
- Decline in national and local government grants to £7 billion from £8.2 billion in 2021;
- 27,001 charities received a government grant in 2022 compared to 35,474 in 2021;
- Free reserves remained broadly consistent at £75 billion, compared to £73 billion in 2021; and
- Volunteer numbers reported an overall increase to just over 6 million people, though religious charities and those supporting armed forces personnel experienced a decline in volunteer participation from 2021.

For further detail please see: <https://www.gov.uk/government/publications/charity-commission-annual-return-data/annual-return-data-january-to-december-2022>

## Additional questions on Charity Annual Returns

The questions posed in the Charity Commission's Annual Return have been updated for financial years starting on or after 1 January 2023. The most significant changes relate to smaller charities where, depending on the level of income, the number of responses required may be reduced. Narrative changes to some questions have been made to improve clarity and improvements in the glossary and guidance have also been made to help charities answer questions quickly and accurately.

The detailed list of questions can be found at Appendix 8 at the following link: <https://www.gov.uk/government/consultations/charity-commission-revisions-to-the-annual-return-2023-25>

## Guidance on internal controls

The government has updated their guidance (CC8) on internal financial controls for charities. The revised guidance includes updates on digital payment systems, fraud and cybercrime. The Charity Commission's internal control checklist, a tool available for trustees and charity management to check controls against the latest legal requirements has also been updated to reflect the latest guidance. The Charity Commission recommends that internal financial controls should be reviewed at least once a year. The updated guidance and checklist can be found at Internal financial controls for charities at <https://www.gov.uk/government/publications/internal-financial-controls-for-charities-cc8>

## Trustee Quiz

The Charity Commission has released a new Trustee Quiz to enable trustees to test their knowledge of their roles and responsibilities. It is aimed to engage trustees with questions based on everyday scenarios in a bid to identify any knowledge gaps and to act as a refresher for all trustees. The quiz takes three minutes to complete with feedback provided for each question and a score out of 10.

The quiz can be found at: <https://beingacharitytrustee.campaign.gov.uk/take-the-trustee-quiz/>

**The Child Health Research  
Charitable Incorporated  
Organisation**

**Report and financial statements**

31 July 2023

Charity Registration Number  
1152623

## Contents

### Reports

Reference and administrative information	1
Report of the Trustees	3
Independent auditor's report	11

### Accounts

Statement of financial activities	15
Balance sheets	17
Statement of cash flows	18
Principal accounting policies	19
Notes to the financial statements	23

**Reference and administrative information** 31 July 2023

<b>Trustees</b>	Mr A Clark (Chairman) Mr H Clarke (appointed 1 February 2023) Professor A J Copp Professor H Cross (appointed 1 September 2022) Ms A David (resigned 31 October 2022) Ms L Gibson Professor D Goldblatt (resigned 31 May 2023) Mr H Snow Professor R Smyth (resigned 1 September 2022) Dr Kiki Syrad (appointed 6 November 2023) Ms H Vinnicombe
<b>Finance Committee</b>	Mr A Clark (Chairman) Ms L Gibson Mr H Snow Professor H Cross Ms H Vinnicombe
<b>Registered office</b>	UCL GOS Institute of Child Health 30 Guilford Street London WC1N 1EH
<b>Charity registration number</b>	1152623
<b>Auditor</b>	Buzzacott LLP 130 Wood Street London EC2V 6DL
<b>Bankers</b>	The Royal Bank of Scotland plc 280 Bishopgate London EC2M 4RB
<b>Solicitors</b>	Birketts LLP 106 Leadenhall St London EC3A 4AA

**Reference and administrative information** 31 July 2023

**Investment managers**

Veritas Investment Management LLP  
90 Long Acre  
London  
WC2E 9RA

## Report of the Trustees Year to 31 July 2023

The Trustees present their Annual Report together with the financial statements of the Child Health Research Charitable Incorporated Organisation (“the CHR CIO”) for the year ended 31 July 2023. The financial statements have been prepared in accordance with the accounting policies set out on pages 18 to 21 and comply with the Charity’s Constitution, the Charities Act 2011 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 United Kingdom and Republic of Ireland (FRS 102).

### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

The CHR CIO is a registered charity number 1152623 governed by its Constitution dated 11 May 2022.

The principal objects of the CHR CIO are to support the UCL Great Ormond Street Institute of Child Health (“GOS ICH”) in its mission to improve the health and wellbeing of children and the adults they will become through world-class research, education, and public engagement. GOS ICH is, with its clinical partner Great Ormond Street Hospital for Children NHS Foundation Trust (“GOSH”), Europe’s leading centre for child health research and education.

The CHR CIO does not actively fundraise, relying mainly on its investments to meet its objectives.

Meetings of the Trustees are convened at least three occasions per annum. At these meetings, the Trustees agree the broad strategy and areas of activity for the CHR CIO, including consideration of grant making, investment, reserves and risk management policies and performance. The Trustees also consider reports on the outcomes of the CHR CIO’s spending programmes. Trustees also receive verbal reports on selected programmes from PhD students supported by their supervisor.

The Finance Committee aims to meet twice per annum and reports regularly to the Trustees. The Finance Committee is responsible for reviewing the financial statements in detail before approval by the Board, as well as monitoring the external investment managers regarding the investment portfolio performance and giving advice regarding the cash flow of the CHR CIO.

Trustees are recruited by introductions from existing Trustees and others who are familiar with the work of the CHR CIO. Prospective Trustees are interviewed by the Chairman and Director of GOS ICH and asked to submit a CV for review at a Trustees’ Meeting. Candidates must be elected by at least a 75% majority of Trustees.

New Trustees are provided with information concerning the finances, constitution, and grant-making policies of the CHR CIO. Those who are not familiar with the legal obligations and responsibilities of a Trustee are provided with information published by the Charity Commission. Further induction is given to new Trustees by meetings with key members of the GOS ICH staff.

## Report of the Trustees Year to 31 July 2023

### KEY MANAGEMENT

The Trustees consider that they, together with the GOS ICH Finance Manager and Institute Manager, comprise the key management personnel of the charity in charge of directing and controlling, running, and operating the CHR CIO on a day-to-day basis.

None of the Trustees receive any remuneration in respect of their services as Trustees.

All staff, including the key management personnel, are employed by the GOS ICH and their remuneration is set by their employers.

The GOS ICH Finance Manager and the Institute Manager are employees of GOS ICH and their services are provided through a recharge agreement between GOS ICH and the CHR CIO. Every month an allocation of their salary is recharged to the CHR CIO (10% in the case of the Finance Manager and 7% of the Institute Manager).

### OBJECTIVES AND ACTIVITIES

The purposes (objects) of the CHR CIO are, in such ways as the Trustees think fit, to:

- 1) advance health in children and the adults they become by supporting research into children's health and wellbeing, including pre-natal development and external factors impacting thereon; and
- 2) advance education by supporting teaching, training and public engagement in children's health, including by supporting the mission of the GOS ICH to the extent it is charitable.

The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the CHR CIO's aims and objectives and in planning future activities and setting the grant making policy for the year.

The CHR CIO carries out these objects by:

- ◆ Funding research into the causes and prevention of children's diseases. The research funded is both pure and applied/translational with the aim of eliminating suffering of children everywhere. The CHR CIO funds salaries of several Professors, Senior Lecturers/Consultants, and other grades of staff where their research activity will further the objects of the charity.
- ◆ Providing funds to enable postgraduate studentships to be undertaken at the GOS ICH, focussing on a wide range of paediatric research and education.

By focusing on these areas, the charity can meet its strategic objectives and priorities.

## **Report of the Trustees** Year to 31 July 2023

### **OBJECTIVES AND ACTIVITIES** (continued)

The charity has the following restricted funds which support various academic research projects:

- ◆ Research into Eye Disease (Help a Child to See)
- ◆ Children's Eye Group Travelling Fellowship (Claude Worth Fund)
- ◆ Caring for Kids Fund for a Research Lecturer in kidney disease
- ◆ Genetics fund (Jeans for Genes)
- ◆ Dermatomyositis Research
- ◆ Chair of Childhood Epilepsy
- ◆ Simpson-Smith Travelling Fellowship
- ◆ Department of Paediatric Surgery
- ◆ Anne Hamilton Award
- ◆ Siemens Nuclear Medical Research
- ◆ Kidney Research Williams Bequest
- ◆ Simpson-Smith Memorial Lectureship
- ◆ Chair of Developmental Neurobiology
- ◆ Jim Seakins Travel Fund
- ◆ John Lipscombe Memorial Travel Award
- ◆ Bill Marshall Memorial Fund
- ◆ Roland Levinsky Studentship
- ◆ Wheeler Scholarship Fund
- ◆ Cystic Fibrosis Fund

### **ACHIEVEMENTS AND PERFORMANCE**

During the year, the CHR CIO received generous donations from the Wheeler family and the John Lipscombe memorial fund. These are to fund a Masters Student's fees on the MSC Paediatrics in Child Health with Clinical Practice and support the travel costs of PhD students, respectively.

## Report of the Trustees Year to 31 July 2023

### **ACHIEVEMENTS AND PERFORMANCE** (continued)

The CHR CIO continues to support early career researchers at the GOS ICH through funding 3-year PhD studentships. The CIO also continues to provide funding for several senior academic positions at the GOS ICH to support their work on child health. The CIO also restarted its summer studentship programme, which in recent years had been halted by the COVID-19 pandemic. The studentships include a new international PhD project in collaboration with the University of Toronto/SickKids Hospital. The PhD student will spend up to 12 months on placement there as part of their second year PhD studies. In return, a University of Toronto student will also spend up to 12 months at the GOS ICH and GOSH.

The CHR CIO has continued to support the purchase of equipment at the GOS ICH supporting research which meets the strategic needs of GOS ICH and CHR CIO. The equipment is often communal and helps support several team's research.

A recurring grant was made this year as support for 8 bursaries for Postgraduate Students on courses run by the GOS ICH. This was aimed to encourage widening participation in postgraduate education. Each bursary was worth £3,000 to support the fees of each student.

### **GRANT MAKING POLICY**

The charity has established a grant making policy to achieve its objects for the public benefit to improve the lives of children everywhere, namely finding better ways of diagnosing and treating sick children through research and then using those findings to improve health outcomes of those children throughout the world. The charity's research programmes support students, academic and academic related staff at the GOS ICH and GOSH to find new pioneering cures for many rare diseases which affect children. With new knowledge and understanding, children's lives can be improved significantly.

The Director of the GOS ICH receives proposals for funding from members of the GOS ICH and GOSH. These are reviewed for scientific quality and to make sure they align with the strategic research objectives of both Institutions. Once endorsed by the Director these are submitted to the charity for consideration and approval. Any grant applications are considered by the Board of Trustees before award letters are issued on behalf of the charity. This applies to applications against both restricted and unrestricted funds.

The projects are often for pump-priming, initial ideas and data collection before a full application is made to an external awarding body. The charity sometimes provides funds for bridging and infrastructure support (including building projects, laboratory refurbishments and equipment).

### **INVESTMENT POLICY AND PERFORMANCE**

Under its Constitution, the Trustees have absolute discretion to manage and organise the charity's investments. The Trustees, through the Finance Committee, have appointed Veritas Investment Management LLP to manage (with discretionary powers) the Child Health Research CIO portfolio.

## Report of the Trustees Year to 31 July 2023

### **INVESTMENT POLICY AND PERFORMANCE** (continued)

The charity has a Statement of Investment Principles which has been approved by the Trustees, which includes the following stipulations regarding the specific investment objectives:

- ◆ Investments are to be held to create real returns over the investment horizon of a rolling 5-year period, whilst maintaining the ability to draw income and capital where necessary.
- ◆ A Primary Benchmark of UK CPI + 4% on a rolling 5-year basis (net of fees) will be applied.
- ◆ The Trustees anticipate withdrawals of up to £1.2m per annum, to be met through a mixture of capital returns and income.
- ◆ A mix of assets, as detailed in the investment management agreement, may be used by the investment managers to achieve the investment objectives.
- ◆ The investment managers must incorporate into their investment process consideration of issues of Socially Responsible Investment (SRI) as well as factors of Environmental, Social and Governance (ESG), alongside other elements which form such a process and which govern subsequent portfolio construction, stock selection and benchmark adoption.
- ◆ The Trustees accept a medium risk investment profile in the achievement of their objectives.

The Statement of Investment Principles includes the following Specific Investment Restrictions:

- ◆ No investments are permitted in either the debt or equity of manufacturers of armaments, milk powder, tobacco or fossil fuel producing companies.
- ◆ No investments are permitted in pooled funds without the prior approval of the Finance Committee.
- ◆ The investment managers should also carefully consider before making any investments that are indirectly associated with the above restrictions. If there is any doubt, the investment managers should seek the permission of the Finance Committee before any investment is made.

The Statement of Investment Principles will be subject to review as required by the Finance Committee and amendments will be advised in writing to the investment managers when applicable.

The Finance Committee aims to meet twice per annum to review the performance of the portfolio and the investment managers. The investment manager presents a report of the investment portfolio at each of these meetings.

## Report of the Trustees Year to 31 July 2023

### **INVESTMENT POLICY AND PERFORMANCE** (continued)

The charity adopts a medium risk approach given the uncertainties in the bond and equity markets. Turning to equities, the charity places emphasis on those companies whose abiding characteristic is to generate sustainable and growing cash flows whatever the state of the world economy. There is a focus on long term structural and demographic changes that inform investment decisions.

The total return for the 12 months to 31 July 2023 was 0.8% (2022: 4.04%) which was below the CPI + 4% primary benchmark return of 10.9% (2022: 8.7%) and slightly ahead of the ARC (Asset Risk Consultants) Sterling Steady Growth at 0.3%. The total return of the FTSE All Share Index was an increase of 6.1% (2022: increase of 5.5%), the MSCI All Countries World Equity Index (£) 6.8% (2022: 2.3%) and BofA ML £ Corporates (1-10Y) - 4.2% (2022: -8.3%).

### **FINANCIAL REVIEW**

The Statement of Financial Activities shows a deficit of £1,349,401 (2022: deficit of £989,918) after investment losses for the year ended 31 July 2023. The figure excluding net investment losses was a deficit of £1,296,485 (2022: deficit of £1,408,564). Grants payable for the year totalled £1,499,113 (2022: £1,547,803).

The net current liability position on the balance sheet of £1,285,678 (2022: net current liability of £1,034,180) is a reflection of the accounting policy that makes full provision for multi-year grants when they are committed. However, the charity maintains a strong cash position and has adequate funds to meet these liabilities as they fall due over the duration of the grants.

### **RESERVES POLICY AND FINANCIAL POSITION**

As stated above, the charity's primary objective is providing funds for research at the GOS ICH. Research, by its very nature, requires a long term commitment to resources for success.

The Trustees believe that in normal circumstances, the charity needs between £1million to £2million of unrestricted reserves to take into account expenditure requirements and income fluctuation that may arise.

At 31 July 2023, the charity had total funds of £15,288,778 (2022: £16,638,179). Of these, £7,996,770 (2022: £8,797,150) were restricted and £4,518,842 (2022: 4,533,260) were endowment funds. Unrestricted funds, which constitute the charity's free reserves, were £2,773,166 (2022: £3,307,769).

The Trustees consider the level of general reserves (unrestricted funds of £2,773,166) are appropriate, taking into account their continuing commitments.

The charity has sufficient resources to meet its obligations both from the restricted and unrestricted funds. Cash requirements can be met by realising investment assets.

## Report of the Trustees Year to 31 July 2023

### **RISK MANAGEMENT**

The charity has for many years adopted a risk assessment policy as part of its strategic plan in meeting its principal objectives. The major risks to which the charity is exposed have been evaluated and systems have been established to lessen and where possible, eliminate these risks.

The key risks for the charity, as identified by the Trustees, are described below together with the principal ways in which they are mitigated:

*Conflict of interest* – Trustees may have a conflict of interest between their duties to the charity and their relationship with the GOS ICH. Such a conflict may arise in, for example, a decision in relation to a funding bid of which a Trustee's department would be a beneficiary. This is mitigated by keeping the conflicts of interest register up to date and following procedures for Trustees to abstain from certain decisions if this is deemed necessary.

*Portfolio management* – There is a risk that there are unsatisfactory returns from the investment portfolio. This is mitigated by regular monitoring of the financial returns achieved during biannual Finance Committee meetings.

*Monitoring of returns on investment* – There is a risk that once a grant is awarded, for example to a PhD student, that the outputs from the research may not be as expected. To mitigate this risk, the Trustees work closely with clinical experts to determine the most appropriate projects for grant funding.

### **FUNDRAISING**

The charity does not actively fundraise but does receive funding from a variety of sources including donations and legacies.

### **FUTURE PLANS**

The CHR CIO intends to continue to make regular research grants to the GOS ICH. These grants will be for PhD studentships and to support staff salaries. The CHR CIO will also continue to provide funding to support the purchase of equipment at GOS ICH.

## Report of the Trustees Year to 31 July 2023

### STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees are responsible for preparing the Trustees' Report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Principles).

The law applicable to charities in England and Wales requires the Trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the Charity and the group and of the income and expenditure of the group for that period. In preparing financial statements, the Trustees are required to:

- ◆ select suitable accounting policies and then apply them consistently;
- ◆ observe the methods and principles in Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to the United Kingdom and Republic of Ireland (FRS 102);
- ◆ make judgements and estimates that are reasonable and prudent;
- ◆ state whether applicable United Kingdom 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 business.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Charity and which enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the Constitution. The Trustees are responsible for safeguarding the assets of the Charity and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the Trustees on 03/05/2024<sup>1</sup> and signed on their behalf by Adrian Clark

DocuSigned by:

*Adrian Clark*

92F15EB3B92B4F8...  
Chairman

03/05/2024<sup>1</sup>

## **Independent auditor's report** Year to 31 July 2023

### **Independent auditor's report to the trustees of The Child Health Research Charitable Incorporated Organisation**

#### **Opinion**

We have audited the accounts of The Child Health Research Charitable Incorporated Organisation (the 'charity') for the year ended 31 July 2023 which comprise the statement of financial activities, the balance sheet, the statements of cash flows, principal accounting policies and the notes to the accounts. 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 accounts:

- ◆ give a true and fair view of the state of the charity's affairs as at 31 July 2023 and of its income and expenditure for the year then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- ◆ have been prepared in accordance with the requirements of the Charities Act 2011.

#### **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 accounts section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the accounts 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 accounts, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the accounts 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 accounts 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.

## **Independent auditor's report** Year to 31 July 2023

### **Other information**

The trustees are responsible for the other information. The other information comprises the information included in the annual report and accounts, other than the accounts and our auditor's report thereon. Our opinion on the accounts does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts 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 accounts 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 Act 2011 requires us to report to you if, in our opinion:

- ◆ the information given in the trustees' annual report is inconsistent in any material respect with the accounts; or
- ◆ sufficient accounting records have not been kept; or
- ◆ the accounts 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, the trustees are responsible for the preparation of the accounts 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 accounts that are free from material misstatement, whether due to fraud or error.

In preparing the accounts, 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 charity or to cease operations, or have no realistic alternative but to do so.

## Independent auditor's report Year to 31 July 2023

### Auditor's responsibilities for the audit of the accounts

Our objectives are to obtain reasonable assurance about whether the accounts 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 accounts.

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

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

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

- ◆ making enquiries of management as to 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;
- ◆ assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias;

## **Independent auditor's report** Year to 31 July 2023

### **Auditor's responsibilities for the audit of the accounts** (continued)

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

- ◆ reading the minutes of meetings of those charged with governance;
- ◆ agreeing financial statement disclosures to underlying supporting documentation;
- ◆ enquiring of management as to actual and potential litigation and claims.

As a result of our procedures we did not identify any key audit matters relating to irregularities.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the accounts is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](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 charity's trustees, as a body, in accordance with section 144 of the Charities Act 2011 and with regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

*Buzzacott LLP*

Buzzacott LLP  
Statutory Auditor  
130 Wood Street  
London  
EC2V 6DL

Date 9 May 2024

Buzzacott LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

**Statement of financial activities** 31 July 2023

	Notes	Un-restricted funds £	Restricted funds £	Endowment funds £	Total funds 2023 £	Total funds 2022 £
<b>Income from:</b>						
Donations and legacies	1	108	32,334	—	32,442	28,171
Investments	2	65,800	265,172	—	330,972	285,292
<b>Total income</b>		<b>65,98</b>	<b>297,506</b>	<b>—</b>	<b>363,414</b>	313,463
<b>Expenditure on:</b>						
Raising funds	3	32,360	128,426	—	160,786	174,224
Charitable activities						
Grants payable	4	557,632	941,481	—	1,499,113	1,547,803
<b>Total expenditure</b>		<b>589,992</b>	<b>1,069,907</b>	<b>—</b>	<b>1,659,899</b>	1,722,027
<b>Net expenditure for the year before transfers and gains on investments</b>		<b>(524,084)</b>	<b>(772,401)</b>	<b>—</b>	<b>(1,296,485)</b>	(1,408,564)
Net (losses)/ gains on investment assets	7	(10,519)	(27,979)	(14,418)	(52,916)	418,646
<b>Net expenditure and net movement in funds</b>		<b>(534,603)</b>	<b>(800,380)</b>	<b>(14,418)</b>	<b>(1,349,401)</b>	(989,918)
<b>Reconciliation of funds:</b>						
Total fund balances brought forward at 1 August		3,307,769	8,797,150	4,533,260	16,638,179	17,628,097
<b>Total fund balances carried forward at 31 July</b>		<b>2,773,166</b>	<b>7,996,770</b>	<b>4,158,842</b>	<b>15,288,778</b>	16,638,179

All of the charity's activities were from continuing operations in the above two financial periods.

The charity has no recognised gains or losses other than those included in the Statement of Financial Activities.

The notes on pages 23 to 31 form an integral part of these financial statements.

**Statement of financial activities** 31 July 2022

	Notes	Un-restricted funds £	Restricted funds £	Endowment funds £	Total funds 2022 £
<i>Income from:</i>					
Donations and legacies	1	1,320	26,851	—	28,171
Investments	2	69,100	216,192	—	285,292
<b>Total income</b>		<b>70,420</b>	<b>243,043</b>	<b>—</b>	<b>313,463</b>
<i>Expenditure on:</i>					
Raising funds	3	39,964	134,260	—	174,224
Charitable activities					
. Grants payable	4	994,137	553,666	—	1,547,803
<b>Total expenditure</b>		<b>1,034,101</b>	<b>687,926</b>	<b>—</b>	<b>1,722,027</b>
<i>Net (expenditure) for the year before transfers and gains on investments</i>		(963,681)	(444,883)	—	(1,408,564)
<i>Net gains on investment assets</i>	7	101,400	219,344	97,902	418,646
<i>Net (expenditure) income and net movement in funds</i>		(862,281)	(225,539)	97,902	(989,918)
<i>Reconciliation of funds:</i>					
<i>Total fund balances brought forward at 1 August</i>					
. As previously stated		2,507,289	10,820,576	4,300,232	17,628,097
. Prior year adjustment (note 18)		1,662,761	(1,797,887)	135,126	—
. As restated		4,170,050	9,022,689	4,435,358	17,628,097
<b>Total fund balances carried forward at 31 July</b>		<b>3,307,769</b>	<b>8,797,150</b>	<b>4,533,260</b>	<b>16,638,179</b>

**Balance sheet** 31 July 2023

	Notes	2023 £	2022 £
<b>Fixed assets</b>			
Investments	7	<b>17,525,169</b>	18,725,125
<b>Current assets</b>			
Debtors	8	<b>26,485</b>	23,704
Cash at bank		<b>1,330,967</b>	1,080,273
		<b>1,357,452</b>	1,103,977
<b>Liabilities</b>			
Creditors: amounts falling due within one year	9	<b>(2,643,130)</b>	(2,138,157)
<b>Net current (liabilities)</b>		<b>(1,341,298)</b>	(1,034,180)
<b>Total assets less current liabilities</b>		<b>16,239,491</b>	17,690,945
Creditors: amounts falling due after more than one year	10	<b>(950,713)</b>	(1,052,766)
<b>Net assets</b>		<b>15,288,778</b>	16,638,179
<b>The funds of the charity:</b>			
Unrestricted funds	11	<b>2,773,166</b>	3,307,769
Restricted funds	12	<b>7,996,770</b>	8,797,150
Endowment funds	13	<b>4,518,842</b>	4,533,260
<b>Total charity funds</b>		<b>15,288,778</b>	16,638,179

Approved by the Trustees on 03/05/2024 and signed on their behalf by

*Adrian Clark*

Chairman

The notes on pages 22 to 31 form an integral part of these financial statements.

## Statement of cash flows 31 July 2023

	Notes	2023 £	2022 £
<b>Cash flows from operating activities:</b>			
Net cash used in operating activities	A	<b>(1,227,318)</b>	(1,347,671)
<b>Cash flows from investing activities:</b>			
Investment income		<b>330,972</b>	285,292
Proceeds from the disposal of investments		<b>2,691,557</b>	3,881,595
Purchase of investments		<b>(3,311,904)</b>	(1,612,867)
<b>Net cash (used in) provided by investing activities</b>		<b>(289,375)</b>	2,554,020
<b>Change in cash and cash equivalents in the year</b>		<b>(1,516,693)</b>	1,206,349
<b>Cash and cash equivalents at 1 August</b>	B	<b>3,319,766</b>	2,113,417
<b>Cash and cash equivalents at 31 July</b>	B	<b>1,803,073</b>	3,319,766

## Notes to the statement of cash flows for the year to 31 July

## A Reconciliation of net movement in funds to net cash (used in) operating activities

	2023 £	2022 £
<b>Net movement in funds (as per the statement of financial activities)</b>	<b>(1,349,401)</b>	(989,918)
<b>Adjustments for:</b>		
Losses / (gains) on investments	<b>52,916</b>	(418,646)
Investment income	<b>(330,972)</b>	(285,292)
(Increase) in debtors	<b>(2,781)</b>	(5,091)
Increase in creditors	<b>402,920</b>	351,276
<b>Net cash used in operating activities</b>	<b>(1,227,318)</b>	(1,347,671)

## B Analysis of cash and cash equivalents

	2023 £	2022 £
Cash at bank and in hand	<b>1,330,967</b>	1,080,273
Cash held by investment managers	<b>472,106</b>	2,239,493
<b>Total cash and cash equivalents</b>	<b>1,803,073</b>	3,319,766

## **Principal accounting policies 31 July 2023**

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are laid out below.

### **Basis of preparation**

These financial statements have been prepared for the year to 31 July 2023.

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these financial statements.

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 United Kingdom and Republic of Ireland (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The charity constitutes a public benefit entity as defined by FRS 102.

The financial statements are presented in sterling and are rounded to the nearest pound.

### **Critical accounting estimates and areas of judgement**

Preparation of the financial statements requires the Trustees and management to make significant judgements and estimates.

The items in the financial statements where these judgements and estimates have been made include:

- ◆ estimating the liability for multi-year grant commitments; and
- ◆ the apportionment of investment income, gains and losses between funds.

### **Assessment of going concern**

The Trustees have assessed whether the use of the going concern assumption is appropriate in preparing these financial statements. The Trustees have made this assessment in respect to a period of one year from the date of approval of these financial statements.

The Trustees of the charity have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The Trustees are of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due. The most significant areas of judgement that affect items in the financial statements are detailed above. With regard to the next accounting period, the year ending 31 July 2024, the most significant areas that affect the carrying value of the assets held by the charity are the level of investment return and the performance of the investment markets (see the investment policy and the risk management sections of the Trustees' report for more information).

## Principal accounting policies 31 July 2023

### Assessment of going concern (continued)

The net current liability position on the balance sheet of £1,285,678 (2022: net current liability of £1,034,180) is a reflection of the accounting policy that makes full provision for grants when they are committed. However, the charity maintains a strong cash position and has adequate funds to meet these liabilities as they fall due over the duration of the grants.

### Income recognition

Income is recognised in the period in which the charity has entitlement to the income, the amount of income can be measured reliably, and it is probable that the income will be received.

Income comprises donations, investment income and other income.

Donations are recognised when the charity has confirmation of both the amount and settlement date. In the event of donations pledged but not received, the amount is accrued for where the receipt is considered probable. In the event that a donation is subject to conditions that require a level of performance before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that those conditions will be fulfilled in the reporting period.

Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.

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.

### Expenditure recognition

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to make a payment 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.

All expenditure is accounted for on an accruals basis. Expenditure comprises direct costs and support costs. All expenses, including support costs, are allocated or apportioned to the applicable expenditure headings. The classification between activities is as follows:

- ◆ Expenditure on raising funds includes all expenditure associated with raising funds for the charity. This includes investment management fees and administration costs.
- ◆ Expenditure on charitable activities includes all costs associated with furthering the charitable purposes of the charity through the provision of its charitable activities. Such costs include charitable grants and support costs, including governance costs.

## **Principal accounting policies 31 July 2023**

### **Expenditure recognition (continued)**

Grants payable are included in the statement of financial activities when approved and when the intended recipient has either received the funds or been informed of the decision to make the grant and has satisfied all performance conditions. Grants approved but not paid at the end of the financial year are accrued. Grants where the beneficiary has not been informed or has to fulfil performance conditions before the grant is released are not accrued for but are disclosed as financial commitments in the notes to the financial statements.

The provision of a multi-year grant is recognised at its present value where settlement is due over more than one year from the date of the award, there are no unfulfilled performance conditions under the control of the charity that would permit the charity to avoid making the future payments and settlement is probable.

All expenditure is stated inclusive of irrecoverable VAT.

### **Fixed asset investments**

Listed investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. The charity does not acquire put options, derivatives or other complex financial instruments.

Realised gains (or losses) on investment assets are calculated as the difference between disposal proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value at that date. Realised and unrealised investment gains (or losses) are combined in the statement of financial activities and are credited (or debited) in the year in which they arise.

### **Debtors**

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material.

### **Cash at bank and in hand**

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition.

## Principal accounting policies 31 July 2023

### **Creditors and provisions**

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the charity anticipates it will pay to settle the debt. They have been discounted to the present value of the future cash payment where such discounting is material.

### **Funds**

**Unrestricted funds** are those available for the general purposes of the Charity and their use is set out in the Constitution.

**Restricted funds** are those funds whose purposes have been restricted by the donor to specific areas of research as set out in note 12.

**Endowment funds** are those funds whose purposes have been endowed by the donor to a specific area of research and where the capital is not expendable as set out in note 13.

Income from investments, expenditure on administration fees, investment management fees and gains and losses on investments are apportioned to the active restricted and unrestricted funds on the basis of the average value of each fund during the year.

## Notes to the financial statements 31 July 2023

**1 Donations**

	2023 £	2022 £
Donations and legacies		
. Unrestricted funds	108	1,320
. Restricted funds	32,334	26,851
	<b>32,442</b>	<b>28,171</b>

**2 Investment income**

	2023 £	2022 £
Dividends and interest receivable		
. Unrestricted funds	65,800	69,100
. Restricted funds	265,172	216,192
	<b>330,972</b>	<b>285,292</b>

**3 Expenditure on raising funds**

	2023 £	2022 £
Investment management fees		
. Unrestricted funds	28,945	36,207
. Restricted funds	117,314	122,998
Administration		
. Unrestricted funds	3,251	3,757
. Restricted funds	11,276	11,262
	<b>160,786</b>	<b>174,224</b>

**4 Expenditure on charitable activities*****Unrestricted funds***

	2023 £	2022 £
Grants payable		
. Postgraduate studentships	441,388	808,774
. Other	161,031	163,846
Grants no longer required	(55,620)	—
Governance costs (note 5)	10,833	21,517
<b>Total unrestricted funds</b>	<b>557,632</b>	<b>994,138</b>

**Notes to the financial statements** 31 July 2023**4 Expenditure on charitable activities (continued)****Restricted funds**

	2023 £	2022 £
Grants payable		
. Chair of Developmental Neurobiology	81,048	62,351
. Chair of Childhood Epilepsy	214,256	135,090
. Help a Child to See	78,642	59,913
. Genetics fund	450,743	232,000
. Jim Seakins travel	2,521	1,000
. Chair of Cancer Biology	—	2,511
. Medical Molecular Biology	—	60,800
. John Lipscombe Memorial travel award	3,605	—
. Wheeler Scholarship	83,226	—
Governance costs (note 5)	27,440	—
<b>Total restricted funds</b>	<b>941,481</b>	<b>553,666</b>
<b>Total funds</b>	<b>1,499,113</b>	<b>1,547,803</b>

The grants included above were all payable to the UCL GOS Institute of Child Health.

**5 Governance costs**

	2023 £	2022 £
Auditor's remuneration		
. Audit fees – current year	11,700	8,025
. Non-audit fees	10,228	2,045
Legal and bank fees	16,345	11,447
	<b>38,273</b>	<b>21,517</b>

**6 Staff costs and numbers and remuneration of key management personnel**

The average number of persons working for the charity during the year was as follows:

	2023	2022
Administration (part-time)	2	2

The aggregate amount of salaries, wages and related costs of employees is comprised as follows:

	2023 £	2022 £
Salaries and wages	9,621	9,740
Social security costs	1,104	1,170
Other pension costs	3,332	3,665
	<b>14,057</b>	<b>14,575</b>

This is a recharge of salary costs from the UCL GOS Institute of Child Health to the Child Health Research CIO as no staff are actually employed by the Child Health Research CIO.

**Notes to the financial statements** 31 July 2023**6 Staff costs and numbers and remuneration of key management personnel**  
(continued)

The key management personnel of the charity in charge of directing and controlling, running and operating the charity on a day to day basis comprise the trustees and the ICH Finance Manager and ICH Executive Officer. The total remuneration (including taxable benefits and employer's pension contributions) of the key management personnel for the year was £14,057 (2022: £14,575).

No trustee received any form of emoluments from the charity during the year (2022: £nil). No trustee has been reimbursed for expenses incurred during the year (2022: £nil).

**7 Investments**

The investments of the Child Health Research CIO are managed by Veritas Investment Management LLP.

**Analysis by type**

	2023		2022	
	At cost £	Market value £	At cost £	Market value £
UK – fixed interest	<b>4,035,339</b>	<b>4,099,938</b>	2,939,282	3,081,023
UK – equities	<b>7,521,375</b>	<b>12,444,243</b>	7,256,578	12,941,945
UK – funds	<b>256,536</b>	<b>295,200</b>	256,536	260,000
Other	<b>184,643</b>	<b>213,682</b>	184,643	202,664
Listed investments total	<b>11,997,893</b>	<b>17,053,063</b>	10,637,039	16,485,632
Cash with brokers	<b>472,106</b>	<b>472,106</b>	2,239,493	2,239,493
Total investments	<b>12,469,999</b>	<b>17,525,169</b>	12,876,532	18,725,125

**Movement in listed investments**

	2023 £	2022 £
Balance brought forward	<b>16,485,632</b>	18,335,711
Additions during the year	<b>3,311,904</b>	1,612,867
Opening market value of disposals (proceeds: £2,691,557, realised loss: £20,177)	<b>(2,711,734)</b>	(3,992,017)
Unrealised (losses)/ gains	<b>(32,739)</b>	225,750
Balance carried forward	<b>17,053,063</b>	16,485,632

**8 Debtors**

	2023 £	2022 £
Other debtors	<b>26,485</b>	23,704
	<b>26,485</b>	23,704

## Notes to the financial statements 31 July 2023

**9 Creditors: amounts falling due within one year**

	<b>2023</b>	2022
	<b>£</b>	£
Grants payable	<b>2,594,050</b>	2,099,840
Other creditors	<b>49,080</b>	38,317
	<b>2,643,130</b>	2,138,157

**10 Creditors: amounts falling due after more than one year**

	<b>2023</b>	2022
	<b>£</b>	£
Grants payable	<b>950,713</b>	1,052,766
	<b>950,713</b>	1,052,766

**11 Unrestricted funds**

	Balance as at 1 August 2022 Restated £	Income £	Expenditure £	Gains / losses £	Transfers £	<b>Balance as at 31 July 2023 £</b>
Unrestricted funds	3,307,769	<b>65,908</b>	<b>(589,992)</b>	<b>(10,519)</b>	—	<b>2,773,166</b>
	3,307,769	<b>65,908</b>	<b>(589,992)</b>	<b>(10,519)</b>	—	<b>2,773,166</b>

	Balance as at 1 August 2021 Restated £	Income £	Expenditure £	Gains / losses £	Transfers £	Balance as at 31 July 2022 £
Unrestricted funds	4,170,050	70,420	(1,034,101)	101,400	—	3,307,769
	4,170,050	70,420	(1,034,101)	101,400	—	3,307,769

## Notes to the financial statements 31 July 2023

## 12 Restricted funds

	Balance as at 1 August 2022 Restated £	Donations £	Investment income £	Grants (approved) released £	Other costs £	Transfers £	Gains (losses) £	Balance as at 31 July 2023 £
Help a Child to See	190,332	—	3,438	(78,642)	(2,126)	—	(550)	112,452
Children's Eye Group Travelling Fellowship (Claude Worth Fund)	274,200	—	—	—	—	—	—	274,200
Caring for Kids	70,186	—	—	—	—	—	—	70,186
Genetics fund	3,729,754	—	79,779	(450,743)	(65,612)	—	(12,688)	3,280,490
Dermatomyositis Research	64,208	—	—	—	—	—	—	64,208
Chair of Childhood Epilepsy	3,684,537	—	81,441	(214,256)	(50,368)	—	(13,021)	3,488,333
Simpson-Smith Travelling Fellowship	233,880	—	5,324	—	(3,293)	—	(852)	235,059
Department of Paediatric Surgery	103,693	—	—	—	—	—	—	103,693
Anne Hamilton Award – Prize Studentship	17,743	—	—	—	—	—	—	17,743
Siemens Nuclear Medical Research	34,347	—	—	—	—	—	—	34,347
Kidney Research William Bequest	43,936	—	—	—	—	—	—	43,936
Simpson-Smith Memorial Lectureship	42,329	—	964	—	(596)	—	(154)	42,543
Chair of Developmental Neurobiology	22,398	—	89,764	(81,048)	(31,114)	—	—	—
Jim Seakins Travel Fund	26,746	—	580	(2,521)	(358)	—	(92)	24,355
John Lipscombe Memorial Travel Award	37,802	5,000	876	(3,605)	(541)	—	(140)	39,392
Bill Marshall Memorial Fellowship	364	—	8	—	(4)	—	(2)	36
Roland Levinsky Studentship	131,690	—	2,998	—	(1,854)	—	(480)	132,354
Wheeler Scholarship	84,828	27,334	—	(83,226)	—	—	—	28,936
Cystic Fibrosis	4,177	—	—	—	—	—	—	4,177
	<b>8,797,150</b>	<b>32,334</b>	<b>265,172</b>	<b>(914,041)</b>	<b>(155,866)</b>	<b>—</b>	<b>(27,979)</b>	<b>7,996,770</b>

The following restricted funds support salary costs of Principal Investigators at the UCL GOS Institute of Child Health:

- ◆ Chair of Developmental Neurobiology (income derived from Glaxo Wellcome endowment fund)
- ◆ Chair of Childhood Epilepsy

The following restricted funds support travel, research and subsistence costs for students awarded grants from the CIO:

- ◆ Jim Seakins Travel Fund
- ◆ John Lipscombe Memorial Travel Award
- ◆ Bill Marshall Memorial Fellowship

## Notes to the financial statements 31 July 2023

### 12 Restricted funds (continued)

The following restricted funds support travelling fellowships and memorial lectures where the UCL GOS Institute of Child Health attracts high-quality speakers and researchers to work with the department on a temporary basis:

- ◆ Children's Eye Group Travelling Fellowship (Claude Worth Fund)
- ◆ Simpson-Smith Travelling Fellowship
- ◆ Simpson-Smith Memorial Lectureship

The Genetics fund is an historic award. Jeans for Genes would perform annual fundraising which was allocated to GOSHCC and then subsequently transferred over to the CIO. There is no new income into this fund as the partnership between Jeans for Genes and GOSH has been dissolved.

Other restricted funds are legacy funds that the CIO intends to engage with original donors (where possible) to see if the money can be used more widely than their original intended purpose.

## Notes to the financial statements 31 July 2023

## 12 Restricted funds (continued)

	Balance as at 1 August 2021 Restated £	Donations £	Investment income £	Grants (approved) released £	Other costs £	Transfers £	Gains (losses) £	Balance as at 31 July 2022 £
Help a Child to See	242,777	—	3,955	(59,913)	(2,290)	—	5,803	190,332
Children's Eye Group Travelling Fellowship (Claude Worth Fund)	274,200	—	—	—	—	—	—	274,200
Caring for Kids	70,186	—	—	—	—	—	—	70,186
Genetics fund	3,831,370	—	69,042	(232,000)	(39,973)	—	101,315	3,729,754
Dermatomyositis Research	64,208	—	—	—	—	—	—	64,208
Chair of Childhood Epilepsy	3,692,420	—	67,360	(135,090)	(38,999)	—	98,846	3,684,537
Simpson-Smith Travelling Fellowship	225,951	—	4,199	—	(2,431)	—	6,161	233,880
Department of Paediatric Surgery	103,693	—	—	—	—	—	—	103,693
Anne Hamilton Award – Prize Studentship	17,743	—	—	—	—	—	—	17,743
Siemens Nuclear Medical Research	34,347	—	—	—	—	—	—	34,347
Kidney Research William Bequest	43,936	—	—	—	—	—	—	43,936
Simpson-Smith Memorial Lectureship	40,894	—	760	—	(440)	—	1,115	42,329
Chair of Developmental Biology	—	—	—	—	—	—	—	—
Chair of Developmental Neurobiology	64,579	—	67,337	(62,351)	(48,078)	—	911	22,398
Gertrude Marshall Atkins	—	—	—	—	—	—	—	—
Jim Seakins Travel Fund	26,822	—	489	(1,000)	(283)	—	718	26,746
Chair of Cancer Biology	2,511	—	—	(2,511)	—	—	—	—
Medical Molecular Biology Fund	60,801	—	—	(60,801)	—	—	—	—
John Lipscombe Memorial Travel Award	36,520	—	679	—	(393)	—	996	37,802
Bill Marshall Memorial Fellowship	351	—	7	—	(3)	—	9	364
Roland Levinsky Studentship	127,226	—	2,364	—	(1,370)	—	3,470	131,690
Wheeler Scholarship	57,977	26,851	—	—	—	—	—	84,828
Cystic Fibrosis	4,177	—	—	—	—	—	—	4,177
	<b>9,022,689</b>	<b>26,851</b>	<b>216,192</b>	<b>(553,666)</b>	<b>(134,260)</b>	<b>—</b>	<b>219,344</b>	<b>8,797,150</b>

## Notes to the financial statements 31 July 2023

## 13 Endowment funds

	2023 Total £	2022 Total £
Glaxo Wellcome – Chair of Developmental Neurobiology		
Balance brought forward 1 August 2022	4,533,260	4,435,358
Realised/unrealised gains	(14,418)	97,902
Balance carried forward 31 July 2023	<b>4,518,842</b>	4,533,260

This endowment was established in 1996 to create a new academic unit of Developmental Neurobiology including a Chair of Developmental Neurobiology. Under the terms of the donation the fund is to be held in perpetuity.

## 14 Analysis of group net assets between funds

	Investments £	Current assets £	Liabilities £	2023 Total £	2022 Total Restated £
Endowment funds	4,518,842	—	—	<b>4,518,842</b>	4,533,260
Restricted funds	10,228,754	—	(2,231,984)	<b>7,996,770</b>	8,797,150
General funds	2,777,573	1,357,452	(1,361,859)	<b>2,773,166</b>	3,307,769
	<b>17,525,169</b>	<b>1,357,452</b>	<b>(3,593,843)</b>	<b>15,288,778</b>	16,971,951

	Investments Restated £	Current assets Restated £	Liabilities Restated £	2022 Total Restated £	2021 Total Restated £
Endowment funds	4,533,260	—	—	4,533,260	4,435,358
Restricted funds	10,620,427	—	(1,823,277)	8,797,150	9,022,689
General funds	3,571,438	1,103,977	(1,367,646)	3,307,769	4,170,050
	<b>18,725,125</b>	<b>1,103,977</b>	<b>(3,190,923)</b>	<b>16,971,951</b>	<b>17,628,097</b>

The total unrealised gains as at 31 July 2023 constitutes movements on revaluation and are as follows:

	2023 £	2022 £
<b>Unrealised gains included above:</b>		
On investments	<b>5,055,170</b>	5,848,594
<b>Total unrealised gains at 31 July</b>	<b>5,055,170</b>	5,848,594
<b>Reconciliation of movements in unrealised gains</b>		
Unrealised gains at 1 August	<b>5,848,594</b>	6,437,617
Less: in respect to disposals in the year	<b>(760,685)</b>	(814,773)
	<b>5,087,909</b>	5,622,844
Add: net (losses)/ gains arising on revaluation arising in the year	<b>(32,739)</b>	225,750
<b>Total unrealised gains at 31 July</b>	<b>5,055,170</b>	5,848,594

## Notes to the financial statements 31 July 2023

### 15 Connected charities

Professor Andrew Copp and Helen Cross, who are Trustees of the Charity, are also Trustees of the following organisation:

UCL GOS Institute of Child Health – An Institute of University College London (UCL). Its primary objective is the provision of education and medical research.

During the year, grants totalling £1,491,819 (2022: £1,526,286) were awarded to UCL GOS Institute of Child Health. At 31 July 2023, grants totalling £3,575,742 (2022: £3,152,606) were payable to UCL GOS Institute of Child Health.

In addition, these charities share common administrative facilities and hence involve cross charges of expenditure. The key management personnel of the charity in charge of directing and controlling, running and operating the charity on a day to day basis comprise the trustees and the ICH Finance Manager and ICH Institute Manager. The total remuneration (including taxable benefits and employer's pension contributions) of the key management personnel for the year was £14,057 (2022: £14,575).

### 16 Taxation

The Child Health Research Charitable Incorporated Organisation is a registered charity and is exempt under Part 11 of the Corporation Tax Act 2010 on its income and S256 Taxation of Chargeable Gains Act 1992 on its capital gains.

The Trust is not registered for VAT and the expenditure includes VAT where applicable.

### 17 Related parties

Professor Andrew Copp, who is a Trustee of the Charity, has a portion of his salary at the UCL GOS Institute of Child Health funded by the Chair of Developmental Neurobiology (Glaxo Wellcome) endowment fund (note 13).

Professor Helen Cross, who is a Trustee of the Charity, has a portion of her salary at the UCL GOS Institute of Child Health funded by the Chair of Childhood Epilepsy fund (note 12).

Other than the transactions referenced above and in note 15, there have been no other related party transactions.

**Notes to the financial statements** 31 July 2023**18 Prior year adjustment**

The above prior year adjustment reflects a detailed analysis of grants payable that were previously classified as unrestricted. The analysis identified that a certain number of the grants met the requirements of restricted funds. A prior year adjustment has been made to reflect this. The apportionment of investment management fees, investment income and unrealised and realised gains/loss has also been reallocated as they are apportioned between the funds based on an average of the opening and closing balances.

<b>Reconciliation of reported funds</b>	<b>Unrestricted Funds £</b>	<b>Restricted funds £</b>	<b>Endowment funds £</b>	<b>Total funds £</b>
Total funds as 1 August 2020 (as previously stated)	2,812,566	9,044,075	3,637,429	15,494,070
Prior year adjustment				
. Reclassification of income and expenditure	1,065,575	(1,064,033)	(1,542)	—
<b>Total funds at 1 August 2020 (as restated)</b>	<b>3,878,141</b>	<b>7,980,042</b>	<b>3,635,887</b>	<b>15,494,070</b>
Movement in the year to 31 July 2021				
. As previously stated	(305,277)	1,776,502	662,803	2,134,028
. Reclassification of income and expenditure	597,186	(733,855)	136,668	—
. As restated	291,909	1,042,647	799,471	2,134,028
<b>Total funds as at 31 July 2021 (as restated)</b>	<b>4,170,050</b>	<b>9,022,689</b>	<b>4,435,358</b>	<b>17,628,097</b>

**THE CHILD HEALTH RESEARCH CIO**

England & Wales - Charity number 1152623

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# Accounts

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**The Child Health Research  
Charitable Incorporated  
Organisation**

**Report and financial statements**

31 July 2022

Charity Registration Number  
1152623

## Contents

### Reports

Reference and administrative information	1
Report of the Trustees	3
Independent auditor's report	11

### Accounts

Statement of financial activities	15
Balance sheets	17
Statement of cash flows	18
Principal accounting policies	19
Notes to the financial statements	23

<b>Trustees</b>	Mr A Clark (Chairman) Mr H Clarke (appointed 1 February 2023) Professor A J Copp Professor H Cross (appointed 1 September 2022) Ms A David (resigned 31 October 2022) Professor D Goldblatt Mr H Snow (appointed 8 March 2022) Professor R Smyth (resigned 1 September 2022) Ms H Vinnicombe Ms L Gibson (appointed 29 July 2022)
<b>Finance Committee</b>	Mr A Clark (Chairman) Ms L Gibson Mr H Snow Professor H Cross Ms H Vinnicombe
<b>Registered office</b>	UCL GOS Institute of Child Health 30 Guilford Street London WC1N 1EH
<b>Charity registration number</b>	1152623
<b>Auditor</b>	Buzzacott LLP 130 Wood Street London EC2V 6DL
<b>Bankers</b>	The Royal Bank of Scotland plc 280 Bishopgate London EC2M 4RB
<b>Solicitors</b>	Birketts LLP 106 Leadenhall St London EC3A 4AA

**Reference and administrative information** 31 July 2022

<b>Investment managers</b>	Veritas Investment Management LLP 90 Long Acre London WC2E 9RA
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The Trustees present their Annual Report together with the financial statements of the Child Health Research Charitable Incorporated Organisation (“the CHR CIO”) for the year ended 31 July 2022. The financial statements have been prepared in accordance with the accounting policies set out on pages 19 to 22 and comply with the Charity’s Constitution, the Charities Act 2011 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 United Kingdom and Republic of Ireland (FRS 102).

### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

The CHR CIO is a registered charity number 1152623 governed by its Constitution dated 11 May 2022.

The principal objects of the CHR CIO are to support the UCL Great Ormond Street Institute of Child Health (“GOS ICH”) in its mission to improve the health and wellbeing of children and the adults they will become through world-class research, education, and public engagement. GOS ICH is, with its clinical partner Great Ormond Street Hospital for Children NHS Foundation Trust (“GOSH”), Europe’s leading centre for child health research and education.

The CHR CIO does not actively fundraise but relies mainly on its investments to meet its objectives.

Meetings of the Trustees are convened on at least three occasions per annum. At these meetings, the Trustees agree the broad strategy and areas of activity for the CHR CIO, including consideration of grant making, investment, reserves and risk management policies and performance. At these meetings the Trustees also consider reports on the outcomes of the CHR CIO’s spending programmes. Trustees also receive verbal reports on selected programmes from the PhD students supported by their supervisor.

The Finance Committee (formerly the Investment Sub-Committee) convenes at least twice per annum and reports regularly to the main Board of Trustees. The Finance Committee is responsible for reviewing the financial statements in detail before approval by the main Board, as well as monitoring the external investment managers regarding the investment portfolio performance and giving advice regarding the cash flow of the CHR CIO.

Trustees are recruited by introductions from existing Trustees and others who are familiar with the work of the CHR CIO. Prospective Trustees are interviewed by the Chairman and Director of GOS ICH and asked to submit a CV for review at a Trustees’ Meeting. Candidates must be elected by at least a 75% majority of Trustees.

New Trustees are provided with information concerning the finances, fundraising activities, and grant-making policies of the CHR CIO. Those who are not familiar with the legal obligations and responsibilities of a Trustee are provided with information published by the Charity Commission. Further induction is given to new Trustees by meetings with key members of the GOS ICH staff.

### **KEY MANAGEMENT**

The Trustees consider that they, together with the GOS ICH Finance Manager and Institute Manager, comprise the key management personnel of the charity in charge of directing and controlling, running, and operating the CHR CIO on a day-to-day basis.

None of the Trustees receive any remuneration in respect to their services as Trustees.

All staff, including the key management personnel, are employed by the GOS ICH and their remuneration is set by their employers.

The GOS ICH Finance Manager and the Institute Manager are employees of GOS ICH and their services are provided through a recharge agreement between GOS ICH and the CHR CIO. Every month an allocation of their salary is recharged to the CHR CIO (10% in the case of the Finance Manager and 7% of the Institute Manager).

### **OBJECTIVES AND ACTIVITIES**

The purposes (objects) of the CHR CIO are, in such ways as the Trustees think fit, to:

- 1) Advance health in children and the adults they become by supporting research into children's health and wellbeing including pre-natal development and external factors impacting thereon; and
- 2) Advance education by supporting teaching, training and public engagement in children's health including by supporting the mission of the GOS ICH to the extent it is charitable.

The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the CHR CIO's aims and objectives and in planning future activities and setting the grant making policy for the year.

The CHR CIO carries out these objects by:

- ◆ Funding research into the causes and prevention of children's diseases. The research funded is both pure and applied/translational with the aim of eliminating suffering of children everywhere. The CHR CIO funds salaries of several Professors, Senior Lecturers/Consultants, and other grades of staff where their research activity will further the objects of the charity.
- ◆ Providing funds to enable postgraduate studentships to be undertaken at the GOS ICH, focussing on a wide range of paediatric research and education.

By focusing on these areas, the charity can meet its strategic objectives and priorities.

**OBJECTIVES AND ACTIVITIES** (continued)

The Charity has the following restricted funds which support various academic research projects:

- ◆ Research into Eye Disease (Help a Child to See)
- ◆ Children's Eye Group Travelling Fellowship (Claude Worth Fund)
- ◆ Caring for Kids Fund for a Research Lecturer in kidney disease
- ◆ PKU Research (Phenylketonuria – a genetic disorder)
- ◆ Genetics fund (Jeans for Genes)
- ◆ Dermatomyositis Research
- ◆ Chair of Childhood Epilepsy
- ◆ Simpson-Smith Travelling Fellowship
- ◆ Department of Paediatric Surgery
- ◆ Anne Hamilton Award
- ◆ Siemens Nuclear Medical Research
- ◆ Kidney Research Williams Bequest
- ◆ Simpson-Smith Memorial Lectureship
- ◆ Chair of Developmental Biology
- ◆ Gertrude Marshall Atkins (multiple handicap)
- ◆ Seakins Travel Fund
- ◆ Chair of Cancer Biology
- ◆ Medical Molecular Biology Fund
- ◆ John Lipscombe Memorial Travel Award
- ◆ Chair of Developmental Neurobiology
- ◆ Bill Marshall Memorial Fund
- ◆ Roland Levinsky Studentship
- ◆ Wheeler Scholarship Fund
- ◆ Cystic Fibrosis Fund

The funding for these restricted funds is undertaken by individual fund holders and their supporters.

**ACHIEVEMENTS AND PERFORMANCE**

During the year, the CHR CIO received a generous donation from the Wheeler family to fund a Masters Student's fees on the MSC Paediatrics in Child Health with Clinical Practice. This arrangement is anticipated to continue for at least another three years.

### **ACHIEVEMENTS AND PERFORMANCE** (continued)

The CHR CIO continues to support early career researchers at the GOS ICH through funding 3-year PhD studentships. The CIO also continued to provide funding for several senior academic positions at the GOS ICH to support their work on child health. The CIO also restarted its summer studentship programme, which in recent years had been halted by the COVID-19 pandemic.

The CHR CIO offered a new international PhD project in collaboration with the University of Toronto/SickKids Hospital. The PhD student will spend up to 12 months on placement there as part of their second year PhD studies. In return, a University of Toronto student will also spend up to 12 months at the GOS ICH and GOSH.

A recurring grant was made this year as support for 10 bursaries for Postgraduate Students on courses run by the GOS ICH. This was aimed to encourage widening participation in postgraduate education. Each bursary was worth £3,000 to support the fees of each student.

### **GRANT MAKING POLICY**

The charity has established a grant making policy to achieve its objects for the public benefit to improve the lives of children everywhere, namely finding better ways of diagnosing and treating sick children through research and then using those findings to improve health outcomes of those children throughout the world. The charity's research programmes support students, academic and academic related staff at the GOS ICH and GOSH to find new pioneering cures for many rare diseases which affect children. With new knowledge and understanding, children's lives can be improved significantly.

The Director of the GOS ICH receives proposals for funding from members of the GOS ICH and GOSH. These are reviewed for scientific quality and to make sure they align with the strategic research objectives of both Institutions. Once endorsed by the Director these are submitted to the charity for consideration and approval. Any grant applications are considered by the Board of Trustees before award letters are issued on behalf of the charity. This applies to applications against both restricted and unrestricted funds.

The projects are often for pump-priming, initial ideas and data collection before a full application is made to an external awarding body. The charity provides funds for bridging and infrastructure support (including building projects, laboratory refurbishments and equipment).

### **INVESTMENT POLICY AND PERFORMANCE**

Under the terms of the Constitution, the Trustees have absolute discretion to manage and organise the charity's investments. The Trustees, through the Finance Committee, have appointed Veritas Investment Management LLP to manage (with discretionary powers) the Child Health Research CIO portfolio.

**INVESTMENT POLICY AND PERFORMANCE** (continued)

The charity has a Statement of Investment Principles which has been approved by the Trustees. This statement includes the following stipulations regarding the specific investment objectives:

- ◆ Investments are to be held to create real returns over the investment horizon of a rolling 5-year period, whilst maintaining the ability to draw income and capital where necessary.
- ◆ A Primary Benchmark of UK CPI + 4% on a rolling 5-year basis (net of fees) will be applied.
- ◆ The Trustees anticipate withdrawals of between £1 - £1.5m per annum, to be met through a mixture of capital returns and income.
- ◆ A mix of assets, as detailed in the investment management agreement, may be used by the investment managers to achieve the investment objectives.
- ◆ The investment managers must incorporate into their investment process consideration of issues of Socially Responsible Investment (SRI) as well as factors of Environmental, Social and Governance (ESG), alongside other elements which form such a process and which govern subsequent portfolio construction, stock selection and benchmark adoption.
- ◆ The Trustees accept a medium risk investment profile in the achievement of their objectives.

The Statement of Investment Principles includes the following Specific Investment Restrictions:

- ◆ No investments are permitted in either the debt or equity of manufacturers of armaments, milk powder, tobacco or fossil fuel producing companies.
- ◆ No investments are permitted in pooled funds without the prior approval of the Finance Committee.
- ◆ The investment managers should also carefully consider before making any investments that are indirectly associated with the above restrictions. If there is any doubt, the investment managers should seek the permission of the Finance Committee before any investment is made.

The Statement of Investment Principles will be subject to review as required by the Finance Committee and amendments will be advised in writing to the investment managers when applicable.

The Finance Committee meets at least half yearly to review the performance of the portfolio and the Investment Manager. The Investment Manager presents a report of the investment portfolio at each of these meetings.

### **INVESTMENT POLICY AND PERFORMANCE** (continued)

The charity adopts a cautious approach given the uncertainties in the bond and equity markets. Turning to equities, the charity places emphasis on those companies whose abiding characteristic is to generate sustainable and growing cash flows whatever the state of the world economy. There is a focus on long term structural and demographic changes that inform investment decisions.

The total return for the 12 months to 31 July 2022 was 4.04% (2021: 21.3%) which was below the primary benchmark of 8.7% and above the ARC (Asset Risk Consultants) Sterling Equity Risk Index of -4.9%. The total return for FTSE All Share Index was an increase of 5.5% (2021: increase of 18.5%), MSCI All Countries World Equity Index (£) 2.3% (2021: 27.3%) and BofA MLynch £ Corporates (1-10 Y) -8.3% (2021: 3.6%).

### **FINANCIAL REVIEW**

The Statement of Financial Activities shows a deficit of £989,918 (2021: surplus of £2,134,028) after investment gains for the year ended 31 July 2022. The figure excluding net investment gains was a deficit of £1,408,564 (2021: deficit of £967,368). Grants payable for the year totalled £1,547,803 (2021: £1,281,580).

The net current liability position on the balance sheet of £1,034,180 (2021: net current liability of £237,010) is a reflection of the accounting policy that makes full provision for multi-year grants when they are committed. However, the charity maintains a strong cash position and has adequate funds to meet these liabilities as they fall due over the duration of the grants.

A detailed analysis of grants payable highlighted that several grants had been incorrectly previously classified as unrestricted in previous years, despite meeting the requirements of restricted funds. A prior year adjustment to reallocate grant expenditure totalling £1,351,676 from unrestricted to restricted funds in respect of 18 grants made since 2016 was discussed with and subsequently approved by the Board of Trustees. The apportionment of investment management fees, investment income and unrealised and realised gains/losses was also recalculated as they are apportioned between the funds based on an average of the opening and closing balances. As a result, total unrestricted funds, total restricted funds and total endowment funds as at 31 July 2021 have been restated to £4,170,050, £9,022,689 and £4,435,358, respectively, compared to £2,507,289, £10,820,576 and £4,300,232 per the 2021 signed accounts.

### **RESERVES POLICY AND FINANCIAL POSITION**

As stated above, the charity's primary objective is providing funds for research at the GOS ICH. Research, by its very nature, requires a long term commitment to resources for success.

The Trustees believe that in normal circumstances, the charity needs between £1million to £2million of unrestricted reserves to take into account expenditure requirements and income fluctuation that may arise.

### **RESERVES POLICY AND FINANCIAL POSITION** (continued)

At 31 July 2022, the charity had total funds of £16,638,179 (2021: £17,628,097). Of these, £8,797,150 (2021 restated: £9,022,689) were restricted and £4,533,260 (2021: restated £4,435,358) were endowment funds. Unrestricted funds, which constitute the charity's free reserves, were £3,307,769 (2021 restated: £4,170,050).

The Trustees consider the level of general reserves (unrestricted funds of £3,307,769) are appropriate, taking into account their continuing commitments.

The charity has sufficient cash resources to meet its obligations both from the restricted and unrestricted funds but further cash requirements can be met by initially transferring monies held with the Investment Manager and subsequently realising investment assets.

### **RISK MANAGEMENT**

The charity has for many years adopted a risk assessment policy as part of its strategic plan in meeting its principal objectives. The major risks to which the charity is exposed have been evaluated and systems have been established to lessen and where possible, eliminate these risks.

The key risks for the charity, as identified by the Trustees, are described below together with the principal ways in which they are mitigated:

*Conflict of interest* – Trustees may have a conflict of interest between their duties to the charity and their relationship with the GOS ICH. Such a conflict may arise in, for example, a decision in relation to a funding bid of which a Trustee's department would be a beneficiary. This is mitigated by keeping the conflicts of interest register up to date and following procedures for Trustees to abstain from certain decisions if this is deemed necessary.

*Portfolio management* – There is a risk that there are unsatisfactory returns from the investment portfolio. This is mitigated by regular monitoring of the financial returns achieved during biannual Finance Committee meetings.

*Monitoring of returns on investment* – There is a risk that once a grant is awarded, for example to a PhD student, that the outputs from the research may not be as expected. To mitigate this risk, the Trustees work closely with clinical experts to determine the most appropriate projects for grant funding.

### **FUNDRAISING**

The charity does not actively fundraise but does receive funding from a variety of sources including donations and legacies.

### **FUTURE PLANS**

The CHR CIO intends to continue to make regular research grants to the GOS ICH. These grants will be for strategic initiatives, PhD studentships, summer vacation studentships, and to support staff salaries. The CHR CIO will also continue to provide transitional funding to support the salaries of exceptional academics through its Child Health Excellence Fellowship. Grants will also be made for one-off capital expenditure where agreed by the Trustees.

### **STATEMENT OF TRUSTEES' RESPONSIBILITIES**

The Trustees are responsible for preparing the Trustees' Report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Principles).

The law applicable to charities in England and Wales requires the Trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the Charity and the group and of the income and expenditure of the group for that period. In preparing financial statements, the Trustees are required to:

- ◆ select suitable accounting policies and then apply them consistently;
- ◆ observe the methods and principles in Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to the United Kingdom and Republic of Ireland (FRS 102);
- ◆ make judgements and estimates that are reasonable and prudent;
- ◆ state whether applicable United Kingdom 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 business.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Charity and which enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the Constitution. The Trustees are responsible for safeguarding the assets of the Charity and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the Trustees on 15/03/2023 and signed on their behalf by Adrian Clark



Chairman

**Independent auditor's report to the trustees of The Child Health Research Charitable Incorporated Organisation**

**Opinion**

We have audited the accounts of The Child Health Research Charitable Incorporated Organisation (the 'charity') for the year ended 31 July 2022 which comprise the statement of financial activities, the balance sheet, the statements of cash flows, principal accounting policies and the notes to the accounts. 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 accounts:

- ◆ give a true and fair view of the state of the charity's affairs as at 31 July 2022 and of its income and expenditure for the year then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- ◆ have been prepared in accordance with the requirements of the Charities Act 2011.

**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 accounts section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the accounts 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 accounts, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the accounts 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 accounts are authorised for issue.

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

**Other information**

The trustees are responsible for the other information. The other information comprises the information included in the annual report and accounts, other than the accounts and our auditor's report thereon. Our opinion on the accounts does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts 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 accounts 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 Act 2011 requires us to report to you if, in our opinion:

- ◆ the information given in the trustees' annual report is inconsistent in any material respect with the accounts; or
- ◆ sufficient accounting records have not been kept; or
- ◆ the accounts 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, the trustees are responsible for the preparation of the accounts 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 accounts that are free from material misstatement, whether due to fraud or error.

In preparing the accounts, 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 charity or to cease operations, or have no realistic alternative but to do so.

**Auditor's responsibilities for the audit of the accounts**

Our objectives are to obtain reasonable assurance about whether the accounts 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 accounts.

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

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

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

- ◆ making enquiries of management as to 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;
- ◆ assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias;

**Auditor's responsibilities for the audit of the accounts** (continued)

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

- ◆ reading the minutes of meetings of those charged with governance;
- ◆ agreeing financial statement disclosures to underlying supporting documentation;
- ◆ enquiring of management as to actual and potential litigation and claims.

As a result of our procedures we did not identify any key audit matters relating to irregularities.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the accounts is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](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 charity's trustees, as a body, in accordance with section 144 of the Charities Act 2011 and with regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

*Buzzacott LLP*

Buzzacott LLP  
Statutory Auditor  
130 Wood Street  
London  
EC2V 6DL

Date 30 March 2023

Buzzacott LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

Statement of financial activities 31 July 2022

	Notes	Un-restricted funds £	Restricted funds £	Endowment funds £	Total funds 2022 £	Total funds 2021 Restated £
<b>Income from:</b>						
Donations and legacies	1	1,320	26,851	—	28,171	87,571
Investments	2	69,100	216,192	—	285,292	400,691
<b>Total income</b>		<b>70,420</b>	<b>243,043</b>	<b>—</b>	<b>313,463</b>	<b>488,262</b>
<b>Expenditure on:</b>						
Raising funds	3	39,964	134,260	—	174,224	174,050
Charitable activities						
. Grants payable	4	994,137	553,666	—	1,547,803	1,281,580
<b>Total expenditure</b>		<b>1,034,101</b>	<b>687,926</b>	<b>—</b>	<b>1,722,027</b>	<b>1,455,630</b>
<b>Net (expenditure) for the year before transfers and gains on investments</b>		<b>(963,681)</b>	<b>(444,883)</b>	<b>—</b>	<b>(1,408,564)</b>	<b>(967,368)</b>
Net gains on investment assets	7	101,400	219,344	97,902	418,646	3,101,396
<b>Net (expenditure) income and net movement in funds</b>		<b>(862,281)</b>	<b>(225,539)</b>	<b>97,902</b>	<b>(989,918)</b>	<b>2,134,028</b>
<b>Reconciliation of funds:</b>						
Total fund balances brought forward at 1 August						
. As previously stated		2,507,289	10,820,576	4,300,232	17,628,097	15,494,069
. Prior year adjustment (note 18)		1,662,761	(1,797,887)	135,126	—	—
. As restated		4,170,050	9,022,689	4,435,358	17,628,097	15,494,069
<b>Total fund balances carried forward at 31 July</b>		<b>3,307,769</b>	<b>8,797,150</b>	<b>4,533,260</b>	<b>16,638,179</b>	<b>17,628,097</b>

All of the charity's activities were from continuing operations in the above two financial periods.

The charity has no recognised gains or losses other than those included in the Statement of Financial Activities.

The notes on pages 23 to 31 form an integral part of these financial statements.

**Statement of financial activities 31 July 2021**

	Notes	Un-restricted funds Restated £	Restricted funds Restated £	Endowment funds Restated £	Total funds 2021 Restated £
<i>Income from:</i>					
Donations and legacies	1	59,141	28,430	—	87,571
Investments	2	102,270	298,421	—	400,691
<b>Total income</b>		<b>161,411</b>	<b>326,851</b>	<b>—</b>	<b>488,262</b>
<i>Expenditure on:</i>					
Raising funds	3	46,194	127,856	—	174,050
Charitable activities					
. Grants payable	4	490,349	791,231	—	1,281,580
<b>Total expenditure</b>		<b>536,543</b>	<b>919,087</b>	<b>—</b>	<b>1,455,630</b>
<i>Net (expenditure) for the year before transfers and gains on investments</i>		<i>(375,132)</i>	<i>(592,236)</i>	<i>—</i>	<i>(967,368)</i>
Transfers		(124,550)	124,550	—	—
<i>Net gains on investment assets</i>	7	<i>791,592</i>	<i>1,510,333</i>	<i>799,471</i>	<i>3,101,396</i>
<i>Net income and net movement in funds</i>		<i>291,910</i>	<i>1,042,647</i>	<i>799,471</i>	<i>2,134,028</i>
<i>Reconciliation of funds:</i>					
<i>Total fund balances brought forward at 1 August</i>					
. As previously stated		2,812,566	9,044,075	3,637,429	15,494,070
. Prior year adjustment (note 18)		1,065,575	(1,064,033)	(1,542)	—
. As restated		3,878,141	7,980,042	3,635,887	15,494,070
<b>Total fund balances carried forward at 31 July</b>		<b>4,170,050</b>	<b>9,022,689</b>	<b>4,435,358</b>	<b>17,628,097</b>

**Balance sheet** 31 July 2022

	Notes	2022 £	2021 Restated £
<b>Fixed assets</b>			
Investments	7	<b>18,725,125</b>	18,966,273
<b>Current assets</b>			
Debtors	8	<b>23,704</b>	18,613
Cash at bank		<b>1,080,273</b>	1,482,856
		<b>1,103,977</b>	1,501,469
<b>Liabilities</b>			
Creditors: amounts falling due within one year	9	<b>(2,138,157)</b>	(1,738,479)
<b>Net current (liabilities)</b>		<b>(1,034,180)</b>	<b>(237,010)</b>
<b>Total assets less current liabilities</b>		<b>17,690,945</b>	18,729,263
Creditors: amounts falling due after more than one year	10	<b>(1,052,766)</b>	(1,101,166)
<b>Net assets</b>		<b>16,638,179</b>	<b>17,628,097</b>
<b>The funds of the charity:</b>			
Unrestricted funds	11	<b>3,307,769</b>	4,170,050
Restricted funds	12	<b>8,797,150</b>	9,022,689
Endowment funds	13	<b>4,533,260</b>	4,435,358
<b>Total charity funds</b>		<b>16,638,179</b>	<b>17,628,097</b>

Approved by the Trustees on 15/03/2023 and signed on their behalf by Adrian Clark

*AS Clark*

Chairman

The notes on pages 23 to 31 form an integral part of these financial statements.

Statement of cash flows 31 July 2022

	Notes	2022 £	2021 £
<b>Cash flows from operating activities:</b>			
Net cash used in operating activities	A	<b>(1,347,671)</b>	(1,363,940)
<b>Cash flows from investing activities:</b>			
Investment income		<b>285,292</b>	400,691
Proceeds from the disposal of investments		<b>3,881,595</b>	4,585,538
Purchase of investments		<b>(1,612,867)</b>	(3,255,017)
<b>Net cash provided by investing activities</b>		<b>2,554,020</b>	1,731,212
<b>Change in cash and cash equivalents in the year</b>		<b>1,206,349</b>	367,272
<b>Cash and cash equivalents at 1 August</b>	B	<b>2,113,417</b>	1,746,145
<b>Cash and cash equivalents at 31 July</b>	B	<b>3,319,766</b>	2,113,417

Notes to the statement of cash flows for the year to 31 July

**A Reconciliation of net movement in funds to net cash (used in) operating activities**

	2022 £	2021 £
<b>Net movement in funds (as per the statement of financial activities)</b>	<b>(989,918)</b>	2,134,028
<b>Adjustments for:</b>		
Gains on investments	<b>(418,646)</b>	(3,101,396)
Investment income	<b>(285,292)</b>	(400,691)
(Increase) in debtors	<b>(5,091)</b>	(18,613)
Increase in creditors	<b>351,276</b>	22,732
<b>Net cash used in operating activities</b>	<b>(1,347,671)</b>	(1,363,940)

**B Analysis of cash and cash equivalents**

	2022 £	2021 £
Cash at bank and in hand	<b>1,080,273</b>	1,453,724
Cash held by investment managers	<b>2,239,493</b>	659,693
<b>Total cash and cash equivalents</b>	<b>3,319,766</b>	2,113,417

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are laid out below.

### **Basis of preparation**

These financial statements have been prepared for the year to 31 July 2022.

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these financial statements.

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 United Kingdom and Republic of Ireland (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The charity constitutes a public benefit entity as defined by FRS 102.

The financial statements are presented in sterling and are rounded to the nearest pound.

### **Critical accounting estimates and areas of judgement**

Preparation of the financial statements requires the Trustees and management to make significant judgements and estimates.

The items in the financial statements where these judgements and estimates have been made include:

- ◆ estimating the liability for multi-year grant commitments; and
- ◆ the apportionment of investment income, gains and losses between funds.

### **Assessment of going concern**

The Trustees have assessed whether the use of the going concern assumption is appropriate in preparing these financial statements. The Trustees have made this assessment in respect to a period of one year from the date of approval of these financial statements.

The Trustees of the charity have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The Trustees are of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due. The most significant areas of judgement that affect items in the financial statements are detailed above. With regard to the next accounting period, the year ending 31 July 2023 the most significant areas that affect the carrying value of the assets held by the charity are the level of investment return and the performance of the investment markets (see the investment policy and the risk management sections of the Trustees' report for more information).

**Assessment of going concern** (continued)

The net current liability position on the balance sheet of £950,409 (2021: net current liability of £237,010) is a reflection of the accounting policy that makes full provision for grants when they are committed. However, the charity maintains a strong cash position and has adequate funds to meet these liabilities as they fall due over the duration of the grants.

**Income recognition**

Income is recognised in the period in which the charity has entitlement to the income, the amount of income can be measured reliably and it is probable that the income will be received.

Income comprises donations, investment income and other income.

Donations are recognised when the charity has confirmation of both the amount and settlement date. In the event of donations pledged but not received, the amount is accrued for where the receipt is considered probable. In the event that a donation is subject to conditions that require a level of performance before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that those conditions will be fulfilled in the reporting period.

Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.

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.

**Expenditure recognition**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to make a payment 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.

All expenditure is accounted for on an accruals basis. Expenditure comprises direct costs and support costs. All expenses, including support costs, are allocated or apportioned to the applicable expenditure headings. The classification between activities is as follows:

- ◆ Expenditure on raising funds includes all expenditure associated with raising funds for the charity. This includes investment management fees and administration costs.
- ◆ Expenditure on charitable activities includes all costs associated with furthering the charitable purposes of the charity through the provision of its charitable activities. Such costs include charitable grants and support costs, including governance costs.

**Expenditure recognition** (continued)

Grants payable are included in the statement of financial activities when approved and when the intended recipient has either received the funds or been informed of the decision to make the grant and has satisfied all performance conditions. Grants approved but not paid at the end of the financial year are accrued. Grants where the beneficiary has not been informed or has to fulfil performance conditions before the grant is released are not accrued for but are disclosed as financial commitments in the notes to the financial statements.

The provision of a multi-year grant is recognised at its present value where settlement is due over more than one year from the date of the award, there are no unfulfilled performance conditions under the control of the charity that would permit the charity to avoid making the future payments and settlement is probable.

All expenditure is stated inclusive of irrecoverable VAT.

**Fixed asset investments**

Listed investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. The charity does not acquire put options, derivatives or other complex financial instruments.

Realised gains (or losses) on investment assets are calculated as the difference between disposal proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value at that date. Realised and unrealised investment gains (or losses) are combined in the statement of financial activities and are credited (or debited) in the year in which they arise.

**Debtors**

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material.

**Cash at bank and in hand**

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition.

### **Creditors and provisions**

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the charity anticipates it will pay to settle the debt. They have been discounted to the present value of the future cash payment where such discounting is material.

### **Funds**

**Unrestricted funds** are those available for the general purposes of the Charity and their use is set out in the Constitution.

**Restricted funds** are those funds whose purposes have been restricted by the donor to specific areas of research as set out in note 12.

**Endowment funds** are those funds whose purposes have been endowed by the donor to a specific area of research and where the capital is not expendable as set out in note 13.

Income from investments, expenditure on administration fees, investment management fees and gains and losses on investments are apportioned to the active restricted and unrestricted funds on the basis of the average value of each fund during the year.

<b>1 Donations</b>	<b>2022</b>	2021
	<b>£</b>	£
Donations and legacies		
. Unrestricted funds	<b>1,320</b>	59,141
. Restricted funds	<b>26,851</b>	28,430
	<b>28,171</b>	87,571
<b>2 Investment income</b>	<b>2022</b>	2021
	<b>£</b>	Restated £
Dividends and interest receivable		
. Unrestricted funds	<b>69,100</b>	102,270
. Restricted funds	<b>216,192</b>	298,421
	<b>285,292</b>	400,691
<b>3 Expenditure on raising funds</b>	<b>2022</b>	2021
	<b>£</b>	Restated £
Investment management fees		
. Unrestricted funds	<b>36,207</b>	40,127
. Restricted funds	<b>122,998</b>	117,085
Administration		
. Unrestricted funds	<b>3,757</b>	6,067
. Restricted funds	<b>11,262</b>	10,771
	<b>174,224</b>	174,050

#### 4 Expenditure on charitable activities

##### *Unrestricted funds*

	2022 £	2021 Restated £
Grants payable		
. Postgraduate studentships	808,774	539,461
. Transition Support	—	76,057
. Other	163,846	—
Grants no longer required	—	(138,150)
Governance costs (note 5)	21,517	12,981
<b>Total unrestricted funds</b>	<b>994,138</b>	<b>490,349</b>

##### *Restricted funds*

	2022 £	2021 Restated £
Grants payable		
. Chair of Developmental Neurobiology	62,351	74,585
. Chair of Developmental Biology	—	147,837
. Chair of Childhood Epilepsy	135,090	126,327
. Help a Child to See	59,913	9,726
. Genetics fund	232,000	189,316
. Gertrude Marshall Atkins	—	243,440
. Jim Seakins travel	1,000	—
. Chair of Cancer Biology	2,511	—
. Medical Molecular Biology	60,800	—
<b>Total restricted funds</b>	<b>553,666</b>	<b>791,231</b>
<b>Total funds</b>	<b>1,547,803</b>	<b>1,281,580</b>

The grants included above were all payable to the UCL GOS Institute of Child Health.

#### 5 Governance costs

	2022 £	2021 £
Auditor's remuneration		
. Audit fees – current year	8,025	8,590
. Non-audit fees	2,045	2,280
Legal and bank fees	11,447	2,111
	<b>21,517</b>	<b>12,981</b>

#### 6 Staff costs and numbers and remuneration of key management personnel

The average number of persons working for the charity during the year was as follows:

	2022	2021
Administration (part-time)	3	5

## 6 Staff costs and numbers and remuneration of key management personnel

(continued)

The aggregate amount of salaries, wages and related costs of employees is comprised as follows:

	2022 £	2021 £
Salaries and wages	9,740	12,255
Social security costs	1,170	1,256
Other pension costs	3,665	2,908
	<b>14,575</b>	<b>16,419</b>

This is a recharge of salary costs from the UCL GOS Institute of Child Health to the Child Health Research CIO as no staff are actually employed by the Child Health Research CIO.

The key management personnel of the charity in charge of directing and controlling, running and operating the charity on a day to day basis comprise the trustees and the ICH Finance Manager and ICH Executive Officer. The total remuneration (including taxable benefits and employer's pension contributions) of the key management personnel for the year was £14,575 (2021: £13,608).

No trustee received any form of emoluments from the charity during the year (2021: £nil). No trustee has been reimbursed for expenses incurred during the year (2021: £nil).

## 7 Investments

The investments of the Child Health Research CIO are managed by Veritas Investment Management LLP.

### Analysis by type

	2022		2021	
	At cost £	Market value £	At cost £	Market value £
UK – fixed interest	2,939,282	3,081,023	2,760,007	3,003,891
UK – equities	7,256,578	12,941,945	8,696,771	14,907,835
UK – funds	256,536	260,000	256,536	268,800
Overseas – equities	—	—	—	—
Other	184,643	202,664	155,649	155,185
Listed investments total	<b>10,637,039</b>	<b>16,485,632</b>	11,868,963	18,335,711
Cash with brokers	2,239,493	2,239,493	659,693	659,693
Total investments	<b>12,876,532</b>	<b>18,725,125</b>	12,528,656	18,966,273

### Movement in listed investments

	2022 £	2021 £
Balance brought forward	18,335,711	16,564,833
Additions during the year	1,612,867	3,255,018
Opening market value of disposals (proceeds: £3,881,595, realised gain: £192,899)	(3,688,696)	(3,992,017)
Unrealised gains	225,750	2,507,877
Balance carried forward	<b>16,485,632</b>	18,335,711

**8 Debtors**

	2022 £	2021 £
Other debtors	23,704	18,613
	<b>23,704</b>	<b>18,613</b>

**9 Creditors: amounts falling due within one year**

	2022 £	2021 £
Grants payable	2,099,840	1,681,136
Other creditors	38,317	57,343
	<b>2,138,157</b>	<b>1,738,479</b>

**10 Creditors: amounts falling due after more than one year**

	2022 £	2021 £
Grants payable	1,052,766	1,101,166
	<b>1,052,766</b>	<b>1,101,166</b>

**11 Unrestricted funds**

	Balance as at 1 August 2021 Restated £	Income £	Expenditure £	Gains / losses £	Transfers £	Balance as at 31 July 2022 £
Unrestricted funds	4,170,050	70,420	(1,034,101)	101,400	—	3,307,769
	<b>4,170,050</b>	<b>70,420</b>	<b>(1,034,101)</b>	<b>101,400</b>	<b>—</b>	<b>3,307,769</b>

	<i>Balance as at 1 August 2020 Restated £</i>	<i>Income Restated £</i>	<i>Expenditure Restated £</i>	<i>Gains / losses Restated £</i>	<i>Transfers Restated £</i>	<i>Balance as at 31 July 2021 Restated £</i>
Unrestricted funds	3,878,141	161,411	(536,541)	791,589	(124,550)	4,170,050
	<b>3,878,141</b>	<b>161,411</b>	<b>(536,541)</b>	<b>791,589</b>	<b>(124,550)</b>	<b>4,170,050</b>

Notes to the financial statements 31 July 2022

**12 Restricted funds**

	Balance as at 1 August 2021 Restated £	Donations £	Investment income £	Grants (approved) released £	Other costs £	Transfers £	Gains (losses) £	Balance as at 31 July 2022 £
Help a Child to See	242,777	—	3,955	(59,913)	(2,290)	—	5,803	<b>190,332</b>
Children's Eye Group Travelling Fellowship (Claude Worth Fund)	274,200	—	—	—	—	—	—	<b>274,200</b>
Caring for Kids	70,186	—	—	—	—	—	—	<b>70,186</b>
Genetics fund	3,831,370	—	69,042	(232,000)	(39,973)	—	101,315	<b>3,729,754</b>
Dermatomyositis Research	64,208	—	—	—	—	—	—	<b>64,208</b>
Chair of Childhood Epilepsy	3,692,420	—	67,360	(135,090)	(38,999)	—	98,846	<b>3,684,537</b>
Simpson-Smith Travelling Fellowship	225,951	—	4,199	—	(2,431)	—	6,161	<b>233,880</b>
Department of Paediatric Surgery	103,693	—	—	—	—	—	—	<b>103,693</b>
Anne Hamilton Award – Prize Studentship	17,743	—	—	—	—	—	—	<b>17,743</b>
Siemens Nuclear Medical Research	34,347	—	—	—	—	—	—	<b>34,347</b>
Kidney Research William Bequest	43,936	—	—	—	—	—	—	<b>43,936</b>
Simpson-Smith Memorial Lectureship	40,894	—	760	—	(440)	—	1,115	<b>42,329</b>
Chair of Developmental Biology	—	—	—	—	—	—	—	—
Chair of Developmental Neurobiology	64,579	—	67,337	(62,351)	(48,078)	—	911	<b>22,398</b>
Gertrude Marshall Atkins	—	—	—	—	—	—	—	—
Jim Seakins Travel Fund	26,822	—	489	(1,000)	(283)	—	718	<b>26,746</b>
Chair of Cancer Biology	2,511	—	—	(2,511)	—	—	—	—
Medical Molecular Biology Fund	60,801	—	—	(60,801)	—	—	—	—
John Lipscombe Memorial Travel Award	36,520	—	679	—	(393)	—	996	<b>37,802</b>
Bill Marshall Memorial Fellowship	351	—	7	—	(3)	—	9	<b>364</b>
Roland Levinsky Studentship	127,226	—	2,364	—	(1,370)	—	3,470	<b>131,690</b>
Wheeler Scholarship	57,977	26,851	—	—	—	—	—	<b>84,828</b>
Cystic Fibrosis	4,177	—	—	—	—	—	—	<b>4,177</b>
	<b>9,022,689</b>	<b>26,851</b>	<b>216,192</b>	<b>(553,666)</b>	<b>(134,260)</b>	<b>—</b>	<b>219,344</b>	<b>8,797,150</b>

\* PKU stands for phenylketonuria, a rare genetic condition present from birth.

## 12 Restricted funds (continued)

The following restricted funds support salary costs of Principal Investigators at the UCL GOS Institute of Child Health:

- ◆ Chair of Developmental Neurobiology (income derived from Glaxo Wellcome endowment fund)
- ◆ Chair of Childhood Epilepsy
- ◆ Chair of Developmental Biology
- ◆ Chair of Cancer Biology

The following restricted funds support travel, research and subsistence costs for students awarded grants from the CIO:

- ◆ Gertrude Marshall Atkins
- ◆ Jim Seakins Travel Fund
- ◆ John Lipscombe Memorial Travel Award
- ◆ Bill Marshall Memorial Fellowship

The following restricted funds support travelling fellowships and memorial lectures where the UCL GOS Institute of Child Health attracts high-quality speakers and researchers to work with the department on a temporary basis:

- ◆ Children's Eye Group Travelling Fellowship (Claude Worth Fund)
- ◆ Simpson-Smith Travelling Fellowship
- ◆ Simpson-Smith Memorial Lectureship

The Genetics fund is an historic award. Jeans for Genes would perform annual fundraising which was allocated to GOSHCC and then subsequently transferred over to the CIO. There is no new income into this fund as the partnership between Jeans for Genes and GOSH has been dissolved.

Other restricted funds are legacy funds that the CIO intends to engage with original donors (where possible) to see if the money can be used more widely than their intended purpose, for example where the research is no longer being carried out at the UCL GOS Institute for Child Health.

Notes to the financial statements 31 July 2022

**12 Restricted funds (continued)**

	Balance as at 1 August 2020 Restated £	Donations £	Investment income Restated £	Grants (approved) released Restated £	Other costs Restated £	Transfers Restated £	Gains (losses) Restated £	Balance as at 31 July 2021 Restated £
Help a Child to See	205,287	—	5,694	(9,726)	(2,548)	—	44,070	242,777
Children's Eye Group Travelling Fellowship (Claude Worth Fund)	274,200	—	—	—	—	—	—	274,200
Caring for Kids	70,186	—	—	—	—	—	—	70,186
Genetics fund	3,304,942	—	91,199	(189,316)	(81,343)	—	705,888	3,831,370
Dermatomyositis Research	64,208	—	—	—	—	—	—	64,208
Chair of Childhood Epilepsy	3,102,700	—	86,348	(126,326)	(38,646)	—	668,344	3,692,420
Simpson-Smith Travelling Fellowship	182,871	—	5,195	—	(2,325)	—	40,210	225,951
Department of Paediatric Surgery	103,693	—	—	—	—	—	—	103,693
Anne Hamilton Award – Prize Studentship	17,743	—	—	—	—	—	—	17,743
Siemens Nuclear Medical Research	34,347	—	—	—	—	—	—	34,347
Kidney Research William Bequest	43,936	—	—	—	—	—	—	43,936
Simpson-Smith Memorial Lectureship	33,097	—	940	—	(421)	—	7,278	40,894
Chair of Developmental Biology	23,288	—	—	(147,838)	—	(124,550)	—	—
Chair of Developmental Neurobiology	36,144	—	103,257	(74,585)	15	—	(252)	64,579
Gertrude Marshall Atkins	243,440	—	—	(243,440)	—	—	—	—
Jim Seakins Travel Fund	21,708	—	617	—	(276)	—	4,773	26,822
Chair of Cancer Biology	2,511	—	—	—	—	—	—	2,511
Medical Molecular Biology Fund	49,208	—	1,398	—	(625)	—	—	60,801
John Lipscombe Memorial Travel Award	29,556	—	840	—	(375)	—	6,499	36,520
Bill Marshall Memorial Fellowship	284	—	8	—	(3)	—	62	351
Roland Levinsky Studentship	102,969	—	2,925	—	(1,309)	—	22,641	127,226
Wheeler Scholarship	29,547	28,430	—	—	—	—	—	57,977
Cystic Fibrosis	4,177	—	—	—	—	—	—	4,177
	<u>7,980,042</u>	<u>28,430</u>	<u>298,421</u>	<u>(791,231)</u>	<u>(127,856)</u>	<u>(124,550)</u>	<u>1,510,333</u>	<u>9,022,689</u>

### 13 Endowment funds

	2022 Total £	2021 Restated Total £
Glaxo Wellcome – Chair of Developmental Neurobiology		
Balance brought forward 1 August 2021	4,435,358	3,635,887
Realised/unrealised gains	97,902	799,471
Balance carried forward 31 July 2022	<b>4,533,260</b>	<b>4,435,358</b>

This endowment was established in 1996 to create a new academic unit of Developmental Neurobiology including a Chair of Developmental Neurobiology. Under the terms of the donation the fund is to be held in perpetuity.

### 14 Analysis of group net assets between funds

	Investments £	Current assets £	Liabilities £	2022 Total £	2021 Total Restated £
Endowment funds	4,533,260	—	—	4,533,260	4,435,358
Restricted funds	10,620,427	—	(1,823,277)	8,797,150	9,022,689
General funds	3,571,438	1,103,977	(1,367,646)	3,307,769	4,170,050
	<b>18,725,125</b>	<b>1,103,977</b>	<b>(3,190,923)</b>	<b>16,971,951</b>	<b>17,628,097</b>

	Investments Restated £	Current assets Restated £	Liabilities Restated £	2021 Total Restated £	2020 Total Restated £
Endowment funds	4,435,358	—	—	4,435,358	3,878,141
Restricted funds	9,937,126	—	(914,437)	9,022,689	7,980,042
General funds	4,593,789	1,501,469	(1,925,208)	4,170,050	3,635,887
	<b>18,966,273</b>	<b>1,501,469</b>	<b>(2,839,645)</b>	<b>17,628,097</b>	<b>15,494,070</b>

The total unrealised gains as at 31 July 2022 constitutes movements on revaluation and are as follows:

	2022 £	2021 £
<b>Unrealised gains included above:</b>		
On investments	5,848,594	6,437,617
<b>Total unrealised gains at 31 July</b>	<b>5,848,594</b>	<b>6,437,617</b>
<b>Reconciliation of movements in unrealised gains</b>		
Unrealised gains at 1 August	6,437,617	4,665,675
Less: in respect to disposals in the year	(814,773)	(735,935)
	<b>5,622,844</b>	3,929,740
Add: net gains arising on revaluation arising in the year	225,750	2,507,877
<b>Total unrealised gains at 31 July</b>	<b>5,848,594</b>	<b>6,437,617</b>

## 15 Connected charities

Some of the Trustees of the Charity are also Trustees of the following organisation:

UCL GOS Institute of Child Health – An Institute of University College London (UCL). Its primary objective is the provision of education and medical research.

In addition, these charities share common administrative facilities and hence involve cross charges of expenditure.

## 16 Taxation

The Child Health Research Charitable Incorporated Organisation is a registered charity and is exempt under Part 11 of the Corporation Tax Act 2010 on its income and S256 Taxation of Chargeable Gains Act 1992 on its capital gains.

The Trust is not registered for VAT and the expenditure includes VAT where applicable.

## 17 Related parties

Professor Andrew Copp, who is a Trustee of the Charity, has a portion of his salary at the UCL GOS Institute of Child Health funded by the Chair of Developmental Neurobiology (Glaxo Wellcome) endowment fund (note 14).

## 18 Prior year adjustment

Reconciliation of reported funds	Unrestricted Funds £	Restricted funds £	Endowment funds £	Total funds £
Total funds as 1 August 2020 (as previously stated)	2,812,566	9,044,075	3,637,429	15,494,070
Prior year adjustment				
. Reclassification of income and expenditure	1,065,575	(1,064,033)	(1,542)	—
<b>Total funds at 1 August 2020 (as restated)</b>	<b>3,878,141</b>	<b>7,980,042</b>	<b>3,635,887</b>	<b>15,494,070</b>
Movement in the year to 31 July 2021				
. As previously stated	(305,277)	1,776,502	662,803	2,134,028
. Reclassification of income and expenditure	597,186	(733,854)	136,668	—
. As restated	291,909	1,042,688	799,471	2,134,028
<b>Total funds as at 31 July 2021 (as restated)</b>	<b>4,170,050</b>	<b>9,022,050</b>	<b>4,435,358</b>	<b>17,628,097</b>

The above prior year adjustment reflects a detailed analysis of grants payable that were previously classified as unrestricted. The analysis identified that a certain number of the grants met the requirements of restricted funds. A prior year adjustment has been made to reflect this. The apportionment of investment management fees, investment income and unrealised and realised gains/loss has also been reallocated as they are apportioned between the funds based on an average of the opening and closing balances.

**THE CHILD HEALTH RESEARCH CIO**

England & Wales - Charity number 1152623

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# Accounts

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**The Child Health Research  
Charitable Incorporated  
Organisation**

**Report and financial statements**

31 July 2021

Charity Registration Number  
1152623

## Contents

### Reports

Reference and administrative information	1
Report of the Trustees	2
Independent auditor's report	11

### Accounts

Statement of financial activities	16
Balance sheets	18
Statement of cash flows	19
Principal accounting policies	20
Notes to the financial statements	24

**Reference and administrative information** 31 July 2021

<b>Trustees</b>	Mr A W Fane (Chairman) Mr A Clark Professor A J Copp Professor A David Professor D Goldblatt Ms S Payne Mr A C Ross Ms H Vinnicombe Professor R Smyth
<b>Finance Committee</b>	Mr A W Fane (Chairman) Mr A Clark Professor R Smyth Ms H Vinnicombe
<b>Registered office</b>	UCL GOS Institute of Child Health 30 Guilford Street London WC1N 1EH
<b>Charity registration number</b>	1152623
<b>Auditor</b>	Buzzacott LLP 130 Wood Street London EC2V 6DL
<b>Bankers</b>	The Royal Bank of Scotland plc 280 Bishopgate London EC2M 4RB
<b>Solicitors</b>	Field Fisher Waterhouse 31 Vine Street London EC3N 2AA
<b>Investment managers</b>	Veritas Investment Management LLP 90 Long Acre London WC2E 9RA

The Trustees present their Annual Report together with the consolidated financial statements of The Child Health Research Charitable Incorporated Organisation and its subsidiary company for the year ended 31 July 2021. The financial statements have been prepared in accordance with the accounting policies set out on pages 20 to 23 and comply with the Charity's Constitution, the Charities Act 2011 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 United Kingdom and Republic of Ireland (FRS 102), effective from accounting periods commencing 1 January 2015 or later.

### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

The Child Health Research Charitable Incorporated Organisation ("the CHR CIO") is a registered charity governed by its Constitution dated 27 June 2013.

The CHR CIO is a registered charity, number 1152623. The CHR CIO, under an arrangement, does not actively fundraise, but relies heavily on its investments to meet its objectives.

Meetings of the Trustees are convened on at least three occasions per annum. At these meetings, the Trustees agree the broad strategy and areas of activity for the CHR CIO, including consideration of grant making, investment, reserves and risk management policies and performance. At these meetings the Trustees also give active consideration to reports on the outcomes of the CHR CIO's spending programmes. Trustees also receive verbal reports on selected programmes from the PhD students supported, by their supervisor.

The Finance Committee (formerly the Investment Sub-Committee) convenes at least twice per annum and reports regularly to the main Board of Trustees. The Finance Committee is responsible for reviewing the financial statements in detail before approval by the main Board, as well as monitoring the external investment managers regarding the investment portfolio performance and giving advice regarding the cash flow of the CHR CIO.

Trustees are recruited by introductions from existing trustees and others who are familiar with the work of the CHR CIO. Prospective Trustees are interviewed by the Chairman and Director of the UCL Great Ormond Street Institute of Child Health (GOS ICH) and asked to submit a CV for review at a Trustees' Meeting. Candidates must be elected by at least a 75% majority of Trustees.

New Trustees are provided with information concerning the finances, fundraising activities and grant-making policies of the CHR CIO. Those who are not familiar with the legal obligations and responsibilities of a Trustee are provided with information published by the Charity Commission. Further induction is given to new Trustees by meetings with key members of the GOS ICH staff.

### **KEY MANAGEMENT**

The Trustees consider that they, together with the GOS ICH Finance Manager and Institute Manager, comprise the key management personnel of the charity in charge of directing and controlling, running and operating the CHR CIO on a day to day basis.

None of the trustees receive any remuneration in respect to their services as trustees.

All employees, including the key management personnel, are employed by the GOS ICH and their remuneration is set by their employers.

A recharge agreement is in place between the GOS ICH and the CHR CIO in respect to the staff. Every month an allocation of their salary is recharged to the CHR CIO (10% in the case of the Finance Manager and 7% of the Institute Manager).

### **OBJECTIVES AND ACTIVITIES**

The purposes (objects) of the CHR CIO are, in such ways as the Trustees think fit, to:

- 1) Advance health in children and the adults they become by supporting research into children's health and wellbeing including pre-natal development and external factors impacting thereon; and
- 2) Advance education by supporting teaching, training and public engagement in children's health including by supporting the mission of the GOS ICH to the extent it is charitable.

The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the CHR CIO's aims and objectives and in planning future activities and setting the grant making policy for the year.

The CHR CIO carries out these objects by:

- ◆ Funding research into the causes and prevention of children's diseases. The research funded is both pure and applied/translational with the aim of eliminating suffering of children everywhere. The CHR CIO funds salaries of a number of Professors, Senior Lecturers/Consultants and other grades of staff where their research activity will further the objects of the charity.
- ◆ Providing funds to enable postgraduate studentships to be undertaken at the GOS ICH, focussing on a wide range of paediatric research and education.

By focusing on these areas, the charity is able to meet its strategic objectives and priorities.

**OBJECTIVES AND ACTIVITIES** (continued)

The Charity has a number of restricted funds which support various academic research projects as follows:

- ◆ Research into Eye Disease (Help a Child to See)
- ◆ Children's Eye Group Travelling Fellowship (Claude Worth Fund)
- ◆ Caring for Kids Fund for a Research Lecturer in kidney disease
- ◆ PKU Research (Phenylketonuria – a genetic disorder)
- ◆ Genetics (Jeans for Genes)
- ◆ Dermatomyositis Research
- ◆ Chair of Epilepsy
- ◆ Simpson-Smith Travelling Fellowship
- ◆ Department of Paediatric Surgery
- ◆ Anne Hamilton Award
- ◆ Siemens Nuclear Medical Research
- ◆ Kidney Research Williams Bequest
- ◆ Simpson-Smith Memorial Lectureship
- ◆ Chair of Developmental Biology
- ◆ Gertrude Marshall Atkins (multiple handicap)
- ◆ Seakins Travel Fund
- ◆ Chair of Cancer Biology
- ◆ Medical Molecular Biology Fund
- ◆ John Lipscombe Memorial Travel Award
- ◆ Chair of Developmental Neurobiology
- ◆ Bill Marshall Memorial Fund
- ◆ Roland Levinsky Studentship
- ◆ Wheeler Scholarship Fund
- ◆ Cystic Fibrosis Fund

The funding for these restricted funds is undertaken by individual fund holders and their supporters.

### **ACHIEVEMENTS AND PERFORMANCE**

The CHR CIO received a generous donation from the Wheeler family to fund a Masters Student's fees on the MSC Paediatrics in Child Health with Clinical Practice. This arrangement is anticipated to continue for at least another three years.

The CHR CIO continues to support early career researchers at the GOS ICH through funding seven 3-year PhD studentships. The CIO also continued to provide funding for several senior academic positions at the GOS ICH to support their work on child health. The summer studentships, which the CHR CIO usually funds, were not held this year due to the COVID-19 pandemic.

The CHR CIO offered its fourth international PhD project in collaboration with the University of Toronto/SickKids Hospital. The PhD student will spend up to 12 months on placement there as part of their second year PhD studies. In return, a University of Toronto student will also spend up to 12 months at the GOS ICH and Great Ormond Street Hospital.

A recurring grant was made this year as support for 10 bursaries for Postgraduate Students on courses run by the GOS ICH. This was aimed to encourage widening participation in postgraduate education. Each bursary was worth £3,000 to support the fees of each student.

The CHR CIO awarded a Child Health Excellence Fellowship to a GOS ICH academic to allow them to develop their applications for externally funded fellowships. The additional capacity provided by this funding has enabled GOS ICH to retain exceptional academics.

### **GRANT MAKING POLICY**

The charity has established a grant making policy to achieve its objects for the public benefit to improve the lives of children everywhere, namely finding better ways of diagnosing and treating sick children through research and then using those findings to improve health outcomes of those children throughout the world. The charity's research programmes support students, academic and academic related staff at the GOS ICH and Great Ormond Street Hospital for Children to find new pioneering cures for many rare diseases which affect children. With new knowledge and understanding, children's lives can be improved significantly. Any benefits received by researchers are purely incidental to the objects of the charity.

The Director of the GOS ICH receives proposals for funding from members of the GOS ICH and Great Ormond Street Hospital for Children's NHS Trust. These are reviewed for scientific quality and to make sure they align with the strategic research objectives of both Institutions. Once endorsed by the Director these are submitted to the charity for consideration and approval. Any grant applications are considered by the Board of

Trustees before award letters are issued on behalf of the charity. This applies to applications against both restricted and unrestricted funds.

The projects are often for pump-priming, initial ideas and data collection before a full application is made to an external awarding body. The charity provides funds for bridging and infrastructure support (including building projects, laboratory refurbishments and equipment).

### **INVESTMENT POLICY AND PERFORMANCE**

Under the terms of the Constitution, the Trustees have absolute discretion to manage and organise the charity's investments. The Trustees, through the Finance Committee, have appointed Veritas Investment Management LLP to manage (with discretionary powers) the Child Health Research CIO portfolio.

The charity has a Statement of Investment Principles which has been approved by the Trustees. This statement includes the following stipulations regarding the specific investment objectives:

- ◆ Investments are to be held to create real returns over the investment horizon of a rolling 5-year period, whilst maintaining the ability to draw income and capital where necessary.
- ◆ A Primary Benchmark of UK CPI + 4% on a rolling 5-year basis (net of fees) will be applied.
- ◆ The Trustees anticipate withdrawals of between £1 - £1.5m per annum, to be met through a mixture of capital returns and income.

**INVESTMENT POLICY AND PERFORMANCE** (continued)

- ◆ A mix of assets, as detailed in the investment management agreement, may be used by the investment managers to achieve the investment objectives.
- ◆ The investment managers must incorporate into their investment process consideration of issues of Socially Responsible Investment (SRI) as well as factors of Environmental, Social and Governance (ESG), alongside other elements which form such a process and which govern subsequent portfolio construction, stock selection and benchmark adoption.
- ◆ The Trustees accept a medium risk investment profile in the achievement of their objectives.

The Statement of Investment Principles includes the following Specific Investment Restrictions:

- ◆ No investments are permitted in either the debt or equity of manufacturers of armaments, milk powder, tobacco or fossil fuel producing companies.
- ◆ No investments are permitted in pooled funds without the prior approval of the Finance Committee.
- ◆ The investment managers should also carefully consider before making any investments that are indirectly associated with the above restrictions. If there is any doubt, the investment managers should seek the permission of the Finance Committee before any investment is made.

The Statement of Investment Principles will be subject to review as required by the Finance Committee and amendments will be advised in writing to the investment managers when applicable.

The Finance Committee meets at least half yearly to review the performance of the portfolio and the Investment Manager. The Investment Management presents a report of the investment portfolio at each of these meetings.

The charity adopts a cautious approach given the uncertainties in the bond and equity markets with bonds being of relatively short duration given static interest rates. Turning to equities, the charity places emphasis on those companies whose abiding characteristic is to generate sustainable and growing cash flows whatever the state of the world economy. There is a focus on long term structural and demographic changes that inform investment decisions.

The total return for the 12 months to 31 July 2021 was 21.3% (2020: 8.8%) which was ahead of the primary benchmark of 6.2% and the ARC (Asset Risk Consultants) Sterling Equity Risk Index of 20.2%. The total return for FTSE All Share Index was a increase of 18.5% (2020: decrease of 19.2%), MSCI All Countries World Equity Index (£) 27.3% (2020: 14.1%) and BofA MLynch £ Corporates (1-10 Y) 3.6% (2020: 1.3%).

## **FINANCIAL REVIEW**

The consolidated Statement of Financial Activities shows a surplus of £2,134,028 (2020: deficit of £101,652) after investment gains for the year ended 31 July 2021. The figure excluding net investment gains was a deficit of £967,368 (2020: deficit of £1,078,930). Grants payable for the year totalled £1,281,580 (2020: £1,260,985).

The net current liability position on the balance sheet of £237,010 (2020: net current liability of £390,367) is a reflection of the accounting policy that makes full provision for multi-year grants when they are committed. However, the charity maintains a strong cash position and has adequate funds to meet these liabilities as they fall due over the duration of the grants.

## **RESERVES POLICY AND FINANCIAL POSITION**

As stated above, the charity's primary objective is providing funds for research at the GOS ICH. Research, by its very nature, requires a long term commitment to resources for success.

The Trustees believe that in normal circumstances, the charity needs between £1million to £2million of unrestricted reserves to take into account expenditure requirements and income fluctuation that may arise.

The Trustees have reviewed this policy in light of the COVID-19 pandemic and do not deem it necessary to make any changes.

At 31 July 2021, the charity had total funds of £17,628,097 (2020: £15,494,069). Of these, £10,820,576 (2020: £9,044,074) were restricted and £4,300,232 (2020: £3,637,429) were endowment funds. Unrestricted funds, which constitute the charity's free reserves, were £2,507,289 (2020: £2,812,566).

The Trustees consider the level of general reserves (unrestricted funds of £2,507,289) are necessary and appropriate, taking into account their continuing commitments.

The charity has sufficient cash resources to meet its obligations both from the restricted and unrestricted funds but further cash requirements can be met by initially transferring monies held with the Investment Manager and subsequently realising investment assets.

## **RISK MANAGEMENT**

The charity has for many years adopted a risk assessment policy as part of its strategic plan in meeting its principal objectives. The major risks to which the charity is exposed have been evaluated and systems have been established to lessen and where possible, eliminate these risks.

### **RISK MANAGEMENT** (continued)

The key risks for the charity, as identified by the Trustees, are described below together with the principal ways in which they are mitigated:

*Conflict of interest* – Trustees may have a conflict of interest between the charity and their relationship with the GOS ICH. For example, voting in relation to a funding bid of which their department will be a beneficiary. This is mitigated by keeping the conflicts of interest register up to date and following procedures for trustees to abstain from certain decisions if this is deemed necessary.

*Portfolio management* – There is a risk that there are unsatisfactory returns from the investment portfolio. This is mitigated by regular monitoring of the financial returns achieved during biannual Finance Committee meetings.

*Monitoring of returns on investment* – There is a risk that once a grant is awarded, for example to a PhD student, that the outputs from the PhD can be intangible and not readily ascribed a financial value. However, the trustees place great value on supporting the work and early careers of researchers and supporting work in this way is of core importance to the operation of the charity.

The Trustees have reviewed the key risks in light of the COVID-19 pandemic and in their view the key risk is the potential impact on portfolio management.

### **FUNDRAISING**

The charity does not actively fundraise but does receive funding from a variety of sources including donations and legacies.

The charity always aims to conform to recognised standards and protect the public, including vulnerable people.

### **FUTURE PLANS**

The CHR CIO intends to continue to make regular research grants to the GOS ICH. These grants will be for strategic initiatives, PhD studentships, summer vacation studentships, and to support staff salaries. The CHR CIO will also continue to provide transitional funding to support the salaries of exceptional academics through its Child Health Excellence Fellowship. Grants will also be made for one-off capital expenditure where agreed by the Trustees.

There is likely to be ongoing uncertainty in the wider economy caused by COVID-19, and trustees will continue to monitor the impact on the charity's operations, with a particular focus on its effect on the charity's financial position including the charity's income, expenditure and reserves; the charity's beneficiaries; and the charity's staff.

### **STATEMENT OF TRUSTEES' RESPONSIBILITIES**

The Trustees are responsible for preparing the Trustees' Report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Principles).

The law applicable to charities in England and Wales requires the Trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the Charity and the group and of the income and expenditure of the group for that period. In preparing financial statements, the Trustees are required to:

- ◆ select suitable accounting policies and then apply them consistently;
- ◆ observe the methods and principles in Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to the United Kingdom and Republic of Ireland (FRS 102);
- ◆ make judgements and estimates that are reasonable and prudent;
- ◆ state whether applicable United Kingdom 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 business.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Charity and which enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the Constitution. The Trustees are responsible for safeguarding the assets of the Charity and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the Trustees on 14/12/2021 and signed on their behalf by Andrew Fane



Chairman

## **Independent auditor's report to the trustees of The Child Health Research Charitable Incorporated Organisation**

### **Opinion**

We have audited the accounts of The Child Health Research Charitable Incorporated Organisation (the 'charity') for the year ended 31 July 2021 which comprise the statement of financial activities, the balance sheet, the statements of cash flows, principal accounting policies and the notes to the accounts. 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 accounts:

- ◆ give a true and fair view of the state of the charity's affairs as at 31 July 2021 and of its income and expenditure for the year then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- ◆ have been prepared in accordance with the requirements of the Charities Act 2011.

### **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 accounts section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the accounts 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 accounts, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the accounts 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 accounts are authorised for issue.

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

**Other information**

The trustees are responsible for the other information. The other information comprises the information included in the annual report and accounts, other than the accounts and our auditor's report thereon. Our opinion on the accounts does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts 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 accounts 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 Act 2011 requires us to report to you if, in our opinion:

- ◆ the information given in the trustees' annual report is inconsistent in any material respect with the accounts; or
- ◆ sufficient accounting records have not been kept; or
- ◆ the accounts 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, the trustees are responsible for the preparation of the accounts 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 accounts that are free from material misstatement, whether due to fraud or error.

In preparing the accounts, 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 charity or to cease operations, or have no realistic alternative but to do so.

**Auditor's responsibilities for the audit of the accounts**

Our objectives are to obtain reasonable assurance about whether the accounts 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 accounts.

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

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

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

- ◆ making enquiries of management as to 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.

**Auditor's responsibilities for the audit of the accounts** (continued)

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

- ◆ performed analytical procedures to identify any unusual or unexpected relationships;
- ◆ assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias;

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

- ◆ reading the minutes of meetings of those charged with governance;
- ◆ agreeing financial statement disclosures to underlying supporting documentation;
- ◆ enquiring of management as to actual and potential litigation and claims.

As a result of our procedures we did not identify any key audit matters relating to irregularities.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the accounts is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

**Independent auditor's report** Year to 31 July 2021

**Use of our report**

This report is made solely to the charity's trustees, as a body, in accordance with section 144 of the Charities Act 2011 and with regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

*Buzzacott LLP*

Buzzacott LLP  
Statutory Auditor  
130 Wood Street  
London  
EC2V 6DL

Date 25 January 2022

Buzzacott LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

**Statement of financial activities** 31 July 2021

	Notes	Un-restricted funds £	Restricted funds £	Endowment funds £	Total funds 2021 £	Total funds 2020 £
<b>Income from:</b>						
Donations and legacies	1	59,141	28,430	—	<b>87,571</b>	30,319
Investments	2	83,952	316,739	—	<b>400,691</b>	305,292
<b>Total income</b>		<b>143,093</b>	<b>345,169</b>	<b>—</b>	<b>488,262</b>	335,611
<b>Expenditure on:</b>						
Raising funds	3	38,282	135,768	—	<b>174,050</b>	153,556
Charitable activities				—		
. Grants payable	4	997,690	283,890	—	<b>1,281,580</b>	1,260,985
<b>Total expenditure</b>		<b>1,035,972</b>	<b>419,658</b>	<b>—</b>	<b>1,455,630</b>	1,414,541
<b>Net (expenditure) income for the year before transfers and gains on investments</b>						
		(892,879)	(74,489)	—	<b>(967,368)</b>	(1,078,930)
Transfers		(62,204)	62,204	—	—	—
Net gains on investment assets	7	649,806	1,788,787	662,803	<b>3,101,396</b>	977,278
<b>Net (expenditure) income and net movement in funds</b>						
		(305,277)	1,776,502	662,803	<b>2,134,028</b>	(101,652)
<b>Reconciliation of funds:</b>						
Total fund balances brought forward at 1 August		2,812,566	9,044,074	3,637,429	<b>15,494,069</b>	15,595,721
<b>Total fund balances carried forward at 31 July</b>						
		<b>2,507,289</b>	<b>10,820,576</b>	<b>4,300,232</b>	<b>17,628,097</b>	15,494,069

All of the charity's activities were from continuing operations in the above two financial periods.

The charity has no recognised gains or losses other than those included in the Statement of Financial Activities.

The notes on pages 24 to 32 form an integral part of these financial statements.

**Consolidated statement of financial activities 31 July 2020**

	Notes	Un- restricted funds £	Restricted funds £	Endowment funds £	Total funds 2020 £
<i>Income from:</i>					
<i>Donations and legacies</i>	1	1,307	29,012	—	30,319
<i>Investments</i>	2	88,076	217,216	—	305,292
<i>Total income</i>		89,383	246,228	—	335,611
<i>Expenditure on:</i>					
<i>Raising funds</i>	3	44,301	109,255	—	153,556
<i>Charitable activities</i>					
<i>. Grants payable</i>	4	1,190,583	70,402	—	1,260,985
<i>Total expenditure</i>		1,234,884	179,657	—	1,414,541
<i>Net (expenditure) income for the year before gains on investments</i>		(1,145,501)	66,571	—	(1,078,930)
<i>Net gains on investment assets</i>	7	214,894	529,983	232,401	977,278
<i>Net (expenditure) income and net movement in funds</i>		(930,607)	596,554	232,401	(101,652)
<i>Reconciliation of funds:</i>					
<i>Total fund balances brought forward at 1 August</i>		3,743,173	8,447,520	3,405,028	15,595,721
<i>Total fund balances carried forward at 31 July</i>		2,812,566	9,044,074	3,637,429	15,494,069

**Balance sheet** 31 July 2021

	Notes	2021 £	2020 £
<b>Fixed assets</b>			
Investments	7	<b>18,966,273</b>	17,020,275
<b>Current assets</b>			
Debtors	8	<b>18,613</b>	—
Cash at bank		<b>1,482,856</b>	1,290,707
		<b>1,501,469</b>	1,290,707
<b>Liabilities</b>			
Creditors: amounts falling due within one year	9	<b>(1,738,479)</b>	(1,681,074)
<b>Net current (liabilities)</b>		<b>(237,010)</b>	(390,367)
<b>Total assets less current liabilities</b>		<b>18,729,263</b>	16,629,908
Creditors: amounts falling due after more than one year	10	<b>(1,101,166)</b>	(1,135,839)
<b>Net assets</b>		<b>17,628,097</b>	15,494,069
<b>The funds of the charity:</b>			
Unrestricted funds	11	<b>2,507,289</b>	2,812,566
Restricted funds	12	<b>10,820,576</b>	9,044,074
Endowment funds	13	<b>4,300,232</b>	3,637,429
<b>Total charity funds</b>		<b>17,628,097</b>	15,494,069

Approved by the Trustees on 14/12/2021 and signed on their behalf by Andrew Fane



Chairman

The notes on pages 24 to 32 form an integral part of these financial statements.

Statement of cash flows 31 July 2021

	Notes	2021 £	2020 £
<b>Cash flows from operating activities:</b>			
Net cash used in operating activities	A	<b>(1,363,940)</b>	(1,465,008)
<b>Cash flows from investing activities:</b>			
Investment income		<b>400,691</b>	305,292
Proceeds from the disposal of investments		<b>4,585,538</b>	2,745,497
Purchase of investments		<b>(3,255,017)</b>	(2,105,196)
<b>Net cash provided by investing activities</b>		<b>1,731,212</b>	945,593
<b>Change in cash and cash equivalents in the year</b>		<b>367,272</b>	(519,416)
<b>Cash and cash equivalents at 1 August</b>	B	<b>1,746,145</b>	2,265,561
<b>Cash and cash equivalents at 31 July</b>	B	<b>2,113,417</b>	1,746,145

Notes to the statement of cash flows for the year to 31 July

**A Reconciliation of net movement in funds to net cash (used in) operating activities**

	2021 £	2020 £
<b>Net movement in funds (as per the statement of financial activities)</b>	<b>2,134,028</b>	(101,652)
<b>Adjustments for:</b>		
Gains on investments	<b>(3,101,396)</b>	(977,278)
Investment income	<b>(400,691)</b>	(305,292)
(Increase) Decrease in debtors	<b>(18,613)</b>	20,000
Increase (Decrease) in creditors	<b>22,732</b>	(100,786)
<b>Net cash used in operating activities</b>	<b>(1,363,940)</b>	(1,465,008)

**B Analysis of cash and cash equivalents**

	2021 £	2020 £
Cash at bank and in hand	<b>1,453,724</b>	1,268,828
Cash held by investment managers	<b>659,693</b>	477,317
<b>Total cash and cash equivalents</b>	<b>2,113,417</b>	1,746,145

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are laid out below.

### **Basis of preparation**

These financial statements have been prepared for the year to 31 July 2021.

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these financial statements.

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 United Kingdom and Republic of Ireland (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The charity constitutes a public benefit entity as defined by FRS 102.

The financial statements are presented in sterling and are rounded to the nearest pound.

### **Critical accounting estimates and areas of judgement**

Preparation of the financial statements requires the Trustees and management to make significant judgements and estimates.

The items in the financial statements where these judgements and estimates have been made include:

- ◆ estimating the liability for multi-year grant commitments; and
- ◆ the apportionment of investment income, gains and losses between funds.

### **Assessment of going concern**

The Trustees have assessed whether the use of the going concern assumption is appropriate in preparing these financial statements. The Trustees have made this assessment in respect to a period of one year from the date of approval of these financial statements.

The Trustees of the charity have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The Trustees are of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due. The most significant areas of judgement that affect items in the financial statements are detailed above. With regard to the next accounting period, the year ending 31 July 2022 the most significant areas that affect the carrying value of the assets held by the charity are the level of investment return and the performance of the investment markets (see the investment policy and the risk management sections of the Trustees' report for more information).

**Assessment of going concern** (continued)

The net current liability position on the balance sheet of £237,010 (2020: net current liability of £390,367) is a reflection of the accounting policy that makes full provision for grants when they are committed. However, the charity maintains a strong cash position and has adequate funds to meet these liabilities as they fall due over the duration of the grants.

**Income recognition**

Income is recognised in the period in which the charity has entitlement to the income, the amount of income can be measured reliably and it is probable that the income will be received.

Income comprises donations, investment income and other income.

Donations are recognised when the charity has confirmation of both the amount and settlement date. In the event of donations pledged but not received, the amount is accrued for where the receipt is considered probable. In the event that a donation is subject to conditions that require a level of performance before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that those conditions will be fulfilled in the reporting period.

Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.

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.

**Expenditure recognition**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to make a payment 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.

All expenditure is accounted for on an accruals basis. Expenditure comprises direct costs and support costs. All expenses, including support costs, are allocated or apportioned to the applicable expenditure headings. The classification between activities is as follows:

- ◆ Expenditure on raising funds includes all expenditure associated with raising funds for the charity. This includes investment management fees and administration costs.
- ◆ Expenditure on charitable activities includes all costs associated with furthering the charitable purposes of the charity through the provision of its charitable activities. Such costs include charitable grants and support costs, including governance costs.

**Expenditure recognition** (continued)

Grants payable are included in the statement of financial activities when approved and when the intended recipient has either received the funds or been informed of the decision to make the grant and has satisfied all performance conditions. Grants approved but not paid at the end of the financial year are accrued. Grants where the beneficiary has not been informed or has to fulfil performance conditions before the grant is released are not accrued for but are disclosed as financial commitments in the notes to the financial statements.

The provision of a multi-year grant is recognised at its present value where settlement is due over more than one year from the date of the award, there are no unfulfilled performance conditions under the control of the charity that would permit the charity to avoid making the future payments and settlement is probable.

All expenditure is stated inclusive of irrecoverable VAT.

**Fixed asset investments**

Listed investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. The charity does not acquire put options, derivatives or other complex financial instruments.

Realised gains (or losses) on investment assets are calculated as the difference between disposal proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value at that date. Realised and unrealised investment gains (or losses) are combined in the statement of financial activities and are credited (or debited) in the year in which they arise.

**Debtors**

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material.

**Cash at bank and in hand**

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition.

### **Creditors and provisions**

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the charity anticipates it will pay to settle the debt. They have been discounted to the present value of the future cash payment where such discounting is material.

### **Funds**

**Unrestricted funds** are those available for the general purposes of the Charity and their use is set out in the Constitution.

**Restricted funds** are those funds whose purposes have been restricted by the donor to specific areas of research as set out in note 12.

**Endowment funds** are those funds whose purposes have been endowed by the donor to a specific area of research and where the capital is not expendable as set out in note 13.

Income from investments, expenditure on administration fees, investment management fees and gains and losses on investments are apportioned to the active restricted and unrestricted funds on the basis of the average value of each fund during the year.

**1 Donations**

	2021 £	2020 £
Donations and legacies		
. Unrestricted funds	59,141	1,307
. Restricted funds	28,430	29,012
	<b>87,571</b>	<b>30,319</b>

**2 Investment income**

	2021 £	2020 £
Dividends and interest receivable		
. Unrestricted funds	83,952	88,076
. Restricted funds	316,739	217,216
	<b>400,691</b>	<b>305,292</b>

**3 Expenditure on raising funds**

	2021 £	2020 £
Investment management fees		
. Unrestricted funds	34,283	39,866
. Restricted funds	122,929	98,317
Administration		
. Unrestricted funds	3,999	4,435
. Restricted funds	12,839	10,938
	<b>174,050</b>	<b>153,556</b>

#### 4 Expenditure on charitable activities

##### *Unrestricted funds*

	2021 £	2020 £
Grants payable		
. Postgraduate studentships	1,046,802	1,075,336
. Child Health Excellence Fellowship	76,057	—
. Other	—	103,000
Grants no longer required	(138,150)	—
Governance costs (note 5)	12,981	12,247
<b>Total unrestricted funds</b>	<b>997,690</b>	<b>1,190,583</b>

##### *Restricted funds*

	2021 £	2020 £
Grants payable		
. Bill Marshall Memorial Fund	—	11,000
. Chair of Developmental Biology	147,837	—
. Simpson Smith Memorial Lectureship	—	3,368
. Chair of Epilepsy	126,327	56,034
. Help a Child to See	9,726	—
<b>Total restricted funds</b>	<b>283,890</b>	<b>70,402</b>
<b>Total funds</b>	<b>1,281,580</b>	<b>1,260,985</b>

The grants included above were all payable to the UCL GOS Institute of Child Health.

#### 5 Governance costs

	2021 £	2020 £
Auditor's remuneration		
. Audit fees – current year	8,590	8,400
. Non-audit fees	2,280	2,220
Legal and bank fees	2,111	1,627
	<b>12,981</b>	<b>12,247</b>

#### 6 Staff costs and numbers and remuneration of key management personnel

The average number of persons working for the charity during the year was as follows:

	2021	2020
Administration (part-time)	3	3

## 6 Staff costs and numbers and remuneration of key management personnel

(continued)

The aggregate amount of salaries, wages and related costs of employees is comprised as follows:

	2021 £	2020 £
Salaries and wages	12,255	11,705
Social security costs	1,256	1,200
Other pension costs	2,908	2,468
	<b>16,419</b>	<b>15,373</b>

This is a recharge of salary costs from the UCL GOS Institute of Child Health to the Child Health Research CIO as no staff are actually employed by the Child Health Research CIO.

The key management personnel of the charity in charge of directing and controlling, running and operating the charity on a day to day basis comprise the trustees and the ICH Finance Manager and ICH Executive Officer. The total remuneration (including taxable benefits and employer's pension contributions) of the key management personnel for the year was £13,608 (2020: £11,787).

No trustee received any form of emoluments from the charity during the year (2020: £nil). No trustee has been reimbursed for expenses incurred during the year (2020: £nil).

## 7 Investments

The investments of the Child Health Research CIO are managed by Veritas Investment Management LLP.

### Analysis by type

	2021		2020	
	At cost £	Market value £	At cost £	Market value £
UK – fixed interest	2,760,007	3,003,891	3,635,887	3,776,080
UK – equities	8,696,771	14,907,835	8,124,908	12,685,953
UK – funds	256,536	268,800	—	—
Overseas – equities	—	—	116,489	102,800
Other	155,649	155,185		
Listed investments total	<b>11,868,963</b>	<b>18,335,711</b>	11,877,284	16,564,833
Cash with brokers	659,693	659,693	477,316	477,316
Total investments	<b>12,528,656</b>	<b>18,966,273</b>	12,354,600	17,020,275

### Movement in listed investments

	2021 £	2020 £
Balance brought forward	16,564,833	16,227,859
Additions during the year	3,255,018	2,105,196
Opening market value of disposals (proceeds: £4,585,538, realised gain: £593,519)	(3,992,017)	(2,839,630)
Unrealised gains	2,507,877	1,071,408
Balance carried forward	<b>18,335,711</b>	16,564,833

**8 Debtors**

	2021 £	2020 £
Other debtors	18,613	—
	<b>18,613</b>	<b>—</b>

**9 Creditors: amounts falling due within one year**

	2021 £	2020 £
Grants payable	1,681,136	1,642,466
Other creditors	57,343	38,608
	<b>1,738,479</b>	<b>1,681,074</b>

The 2020 comparative has been updated to reflect a revised grant payments schedule.

**10 Creditors: amounts falling due after more than one year**

	2021 £	2020 £
Grants payable	1,101,166	1,135,839
	<b>1,101,166</b>	<b>1,135,839</b>

The 2020 comparative has been updated to reflect a revised grant payments schedule.

**11 Unrestricted funds**

	Balance as at 1 August 2020 £	Income £	Expenditure £	Gains / losses £	Transfers £	Balance as at 31 July 2021 £
Unrestricted funds	2,812,566	143,093	(1,035,972)	649,806	(62,204)	<b>2,507,289</b>
	2,812,566	143,093	(1,035,972)	649,806	(62,204)	<b>2,507,289</b>

	Balance as at 1 August 2019 £	Income £	Expenditure £	Gains/ losses £	Balance as at 31 July 2020 £
Charity Unrestricted funds	3,743,073	89,383	(1,234,884)	214,894	<b>2,812,566</b>
Subsidiary Unrestricted funds	100	—	—	—	—
Group Unrestricted funds	<b>3,743,173</b>	<b>89,383</b>	<b>(1,234,884)</b>	<b>214,894</b>	<b>2,812,566</b>

Notes to the financial statements 31 July 2021

**12 Restricted funds**

	Balance as at 1 August 2020 £	Donations £	Investment income £	Grants (approved) released £	Other costs £	Transfers £	Gains (losses) £	Balance as at 31 July 2021 £
Help a Child to See	205,816	—	5,601	(9,726)	(3,291)	—	43,360	<b>241,760</b>
Children's Eye Group Travelling Fellowship (Claude Worth Fund)	274,050	—	—	—	—	—	—	<b>274,050</b>
Caring for Kids	70,149	—	—	—	—	—	—	<b>70,149</b>
PKU Research Fund*	18,914	—	527	—	(309)	—	4,081	<b>23,213</b>
Jeans for Genes	3,988,955	—	111,200	—	(65,327)	—	860,695	<b>4,895,523</b>
Dermatomyositis Research	64,164	—	—	—	—	—	—	<b>64,164</b>
Chair of Epilepsy	3,109,967	—	84,935	(126,326)	(49,897)	—	657,407	<b>3,676,086</b>
Simpson-Smith Travelling Fellowship	183,282	—	5,109	—	(3,002)	—	39,547	<b>224,936</b>
Department of Paediatric Surgery	103,704	—	—	—	—	—	—	<b>103,704</b>
Anne Hamilton Award – Prize Studentship	17,769	—	—	—	—	—	—	<b>17,769</b>
Seimens Nuclear Medical Research	34,398	—	—	—	—	—	—	<b>34,398</b>
Kidney Research William Bequest	43,860	—	—	—	—	—	—	<b>43,860</b>
Simpson-Smith Memorial Lectureship	33,252	—	927	—	(544)	—	7,175	<b>40,810</b>
Chair of Developmental Biology	23,212	—	647	—	(380)	—	5,008	<b>28,487</b>
Chair of Neurodevelopment al Biology	—	—	85,634	(147,838)	—	62,204	—	—
Gertrude Marshall Atkins	639,059	—	17,815	—	(10,466)	—	137,889	<b>784,297</b>
Jim Seakins Travel Fund	21,802	—	608	—	(357)	—	4,704	<b>26,757</b>
Chair of Cancer Biology	2,514	—	—	—	—	—	—	<b>2,514</b>
Medical Molecular Biology Fund	41,621	—	—	—	—	—	—	<b>41,621</b>
John Lipscombe Memorial Travel Award	29,677	—	827	—	(486)	—	6,403	<b>36,421</b>
Bill Marshall Memorial Fellowship	337	—	9	—	(6)	—	73	<b>413</b>
Roland Levinsky Studentship	104,024	—	2,900	—	(1,703)	—	22,445	<b>127,666</b>
Wheeler Scholarship	29,548	28,430	—	—	—	—	—	<b>57,978</b>
Cystic Fibrosis	4,000	—	—	—	—	—	—	<b>4,000</b>
	<b>9,044,074</b>	<b>28,430</b>	<b>316,739</b>	<b>(283,890)</b>	<b>(135,768)</b>	<b>62,204</b>	<b>1,788,787</b>	<b>10,820,576</b>

\* PKU stands for phenylketonuria, a rare genetic condition present from birth.

## 12 Restricted funds (continued)

The following restricted funds support salary costs of Principal Investigators at the UCL GOS Institute of Child Health:

- ◆ Chair of Developmental Neurobiology (income derived from Glaxo Wellcome endowment fund)
- ◆ Chair of Epilepsy
- ◆ Chair of Developmental Biology
- ◆ Chair of Cancer Biology

The following restricted funds support travel, research and subsistence costs for students awarded grants from the CIO:

- ◆ Gertrude Marshall Atkins
- ◆ Jim Seakins Travel Fund
- ◆ John Lipscombe Memorial Travel Award
- ◆ Bill Marshall Memorial Fellowship

The following restricted funds support travelling fellowships and memorial lectures where the UCL GOS Institute of Child Health attracts high-quality speakers and researchers to work with the department on a temporary basis:

- ◆ Children's Eye Group Travelling Fellowship (Claude Worth Fund)
- ◆ Simpson-Smith Travelling Fellowship
- ◆ Simpson-Smith Memorial Lectureship

The Jeans for Genes fund is an historic award. Jeans for Genes would perform annual fundraising which was allocated to GOSHCC and then subsequently transferred over to the CIO. There is no new income into this fund as the partnership between Jeans for Genes and GOSH has been dissolved.

Other restricted funds are legacy funds that the CIO is actively involved with engaging with original donors (where possible) to see if the money can be used more widely than their intended purpose, for example where the research is no longer being carried out at the UCL GOS Institute for Child Health.

**12 Restricted funds (continued)**

	Balance as at 1 August 2019 £	Donations £	Invest- ment income £	Grants (approved) released £	Other costs £	Gains (losses) £	Balance as at 31 July 2020 £
<i>Help a Child to See</i>	190,191	—	5,320	—	(2,676)	12,981	<b>205,816</b>
<i>Children's Eye Group Travelling Fellowship (Claude Worth Fund)</i>	274,050	—	—	—	—	—	<b>274,050</b>
<i>Caring for Kids</i>	70,149	—	—	—	—	—	<b>70,149</b>
<i>PKU Research Fund*</i>	17,478	—	489	—	(246)	1,193	<b>18,914</b>
<i>Glaxo Wellcome</i>	—	—	—	—	—	—	<b>—</b>
<i>Jeans for Genes</i>	3,686,119	—	103,114	—	(51,864)	251,586	<b>3,988,955</b>
<i>Dermatomyositis Research</i>	64,164	—	—	—	—	—	<b>64,164</b>
<i>Chair of Epilepsy</i>	2,927,770	—	81,116	(56,034)	(40,800)	197,915	<b>3,109,967</b>
<i>Simpson-Smith Travelling Fellowship</i>	169,367	—	4,738	—	(2,383)	11,560	<b>183,282</b>
<i>Department of Paediatric Surgery</i>	103,704	—	—	—	—	—	<b>103,704</b>
<i>Anne Hamilton Award – Prize Studentship</i>	17,769	—	—	—	—	—	<b>17,769</b>
<i>Seimens Nuclear Medical Research</i>	34,398	—	—	—	—	—	<b>34,398</b>
<i>Kidney Research William Bequest</i>	43,860	—	—	—	—	—	<b>43,860</b>
<i>Simpson-Smith Memorial Lectureship</i>	33,967	—	903	(3,368)	(454)	2,204	<b>33,252</b>
<i>Chair of Developmental Biology</i>	21,450	—	600	—	(302)	1,464	<b>23,212</b>
<i>Gertrude Marshall Atkins</i>	590,542	—	16,520	—	(8,309)	40,306	<b>639,059</b>
<i>Jim Seakins Travel Fund</i>	20,146	—	564	—	(283)	1,375	<b>21,802</b>
<i>Chair of Cancer Biology</i>	2,514	—	—	—	—	—	<b>2,514</b>
<i>Medical Molecular Biology Fund</i>	41,621	—	—	—	—	—	<b>41,621</b>
<i>John Lipscombe Memorial Travel Award</i>	27,424	—	767	—	(386)	1,872	<b>29,677</b>
<i>Bill Marshall Memorial Fellowship</i>	10,893	—	151	(11,000)	(76)	369	<b>337</b>
<i>Roland Levinsky Studentship</i>	94,341	1,067	2,934	—	(1,476)	7,158	<b>104,024</b>
<i>Wheeler Scholarship</i>	1,603	27,945	—	—	—	—	<b>29,548</b>
<i>Cystic Fibrosis</i>	4,000	—	—	—	—	—	<b>4,000</b>
	<b>8,447,520</b>	<b>29,012</b>	<b>217,216</b>	<b>(70,402)</b>	<b>(109,255)</b>	<b>529,983</b>	<b>9,044,074</b>

### 13 Endowment funds

	2021 Total £	2020 Total £
Glaxo Wellcome – Chair of Developmental Neurobiology		
Balance brought forward 1 August 2020	3,637,429	3,405,028
Realised/unrealised gains	662,803	232,401
Balance carried forward 31 July 2021	<b>4,300,232</b>	<b>3,637,429</b>

This endowment was established in 1996 to create a new academic unit of Developmental Neurobiology including a Chair of Developmental Neurobiology. Under the terms of the donation the fund is to be held in perpetuity.

### 14 Analysis of group net assets between funds

	Investments £	Current assets £	Liabilities £	2021 Total £	2020 Total £
Endowment funds	4,300,232	—	—	<b>4,300,232</b>	3,637,429
Restricted funds	11,268,223	—	(447,647)	<b>10,820,576</b>	9,044,074
General funds	3,397,818	1,501,469	(2,391,998)	<b>2,507,289</b>	2,812,566
	<b>18,966,273</b>	<b>1,501,469</b>	<b>(2,839,645)</b>	<b>17,628,097</b>	<b>15,494,069</b>

	Investments £	Current assets £	Liabilities £	2020 Total £
<i>Endowment funds</i>	3,637,429	—	—	<b>3,637,429</b>
<i>Restricted funds</i>	9,816,754	—	(752,680)	<b>9,044,074</b>
<i>General funds</i>	3,566,092	1,290,707	(2,064,233)	<b>2,812,566</b>
	<b>17,020,275</b>	<b>1,310,707</b>	<b>(2,816,913)</b>	<b>15,494,069</b>

The total unrealised gains as at 31 July 2021 constitutes movements on revaluation and are as follows:

	2021 £	2020 £
<b>Unrealised gains included above:</b>		
On investments	<b>6,437,617</b>	4,648,290
<b>Total unrealised gains at 31 July</b>	<b>6,437,617</b>	4,648,290
<b>Reconciliation of movements in unrealised gains</b>		
Unrealised gains at 1 August	<b>4,665,675</b>	4,439,254
Less: in respect to disposals in the year	<b>(735,935)</b>	(844,987)
	<b>3,929,740</b>	3,594,267
Add: net gains arising on revaluation arising in the year	<b>2,507,877</b>	1,071,408
<b>Total unrealised gains at 31 July</b>	<b>6,437,617</b>	4,665,675

**15 Connected charities**

Some of the Trustees of the Charity are also Trustees of the following organisation:

UCL GOS Institute of Child Health – An Institute of University College London (UCL). Its primary objective is the provision of education and medical research.

In addition, these charities share common administrative facilities and hence involve cross charges of expenditure.

**16 Taxation**

The Child Health Research Charitable Incorporated Organisation is a registered charity and is exempt under Part 11 of the Corporation Tax Act 2010 on its income and S256 Taxation of Chargeable Gains Act 1992 on its capital gains.

The Trust is not registered for VAT and the expenditure includes VAT where applicable.

**17 Related parties**

Professor Andrew Copp, who is a Trustee of the Charity, has a portion of his salary at the UCL GOS Institute of Child Health funded by the Chair of Developmental Neurobiology (Glaxo Wellcome) endowment fund (note 14).