

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
A	1	Preparation of management accounts*
B	2	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	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://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
		£	£	£	£
1	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 £
1	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
2	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	Preparation of management accounts <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	Declarations of interest forms <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"> • related parties may enter into transactions that unrelated parties would not; • 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 	<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>

	family.	<p>represent the best value for money for the charity; and</p> <ul style="list-style-type: none"> • the existence of the relationship may be sufficient to affect the transactions of the charity with other parties. <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>	
B	<p>Inaccurate grant award letters</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

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

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

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

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

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 6th 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 17th 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 noncompliance 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. 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	Total funds 2024	Total Funds 2023
	Note	£	£	£	£	£
Income from:						
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>
Expenditure on:						
Raising funds	3	31,721	132,611	-	164,332	160,786
Charitable activities						
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>
Net expenditure for the year before gains on investments						
		(341,259)	(1,111,925)	2,000,000	546,816	(1,296,485)
Net gains/(losses) on investment assets	7	321,120	925,992	523,262	1,770,374	(52,916)
Net income/(expenditure) and net movement in funds						
		(20,139)	(185,933)	2,523,262	2,317,190	(1,349,401)
Reconciliation of funds:						
Total fund balances brought forward at 1 August		2,773,166	7,996,770	4,518,842	15,288,778	16,638,179
Total fund balances carried forward at 31 July		<u>2,753,027</u>	<u>7,810,837</u>	<u>7,042,104</u>	<u>17,605,968</u>	<u>15,288,778</u>

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	2024 £	2023 £
Fixed assets			
Investments	7	19,143,639	17,525,169
Current assets			
Debtors	8	40,383	26,485
Cash at bank and in hand		2,331,051	1,330,967
		2,371,434	1,357,452
Liabilities:			
Creditors: amounts falling due within one year	9	(2,543,299)	(2,643,130)
Net current (liabilities)		(171,865)	(1,285,678)
Total assets less current liabilities		18,971,774	16,239,491
Long-term liabilities:			
Creditors: amounts falling after more than one year	10	(1,365,806)	(950,713)
Total net assets		17,605,968	15,288,778
The funds of the charity:			
Unrestricted funds	11	2,753,027	2,773,166
Restricted funds	12	7,810,837	7,996,770
Endowment funds	13	7,042,104	4,518,842
Total charity funds		17,605,968	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 £
Cash flows from operating activities:			
Net cash provided by/(used in) operating activities	A	504,213	(1,227,318)
Cash flows from investing activities:			
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>
Change in cash and cash equivalents in the year		1,821,708	(1,516,693)
Cash and cash equivalents at 1 August		1,803,073	3,319,766
Cash and cash equivalents at 31 July	B	3,624,781	1,803,073

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 £
Net movements in funds (as per the statement of financial activities)			
		2,317,190	(1,349,401)
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
Net cash provided by/(used in) operating activities		504,213	(1,227,318)

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
Total charity funds	3,624,781	1,803,073

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

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

2 Investment income

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

3 Expenditure on raising funds

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

4 Expenditure on charitable activities

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

The Child Health Research Charitable Incorporated Organisation

Notes to the financial statements

31 July 2024

4 Expenditure on charitable activities (continued)***Restricted funds***

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

Total funds

1,665,111	1,499,113
------------------	------------------

5 Governance costs

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

	2024	2023
Administration (part-time)	2	2

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

	2024	2023
	£	£
Wages and salaries	11,177	9,621
Social security costs	1,334	1,104
Other pension costs	3,071	3,332
	15,582	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.

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

The Child Health Research Charitable Incorporated Organisation

Notes to the financial statements

31 July 2024

7 Investments (continued)

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

8 Debtors

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

9 Creditors: amounts falling due within one year

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

10 Creditors: amounts falling due after one year

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

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
	2,773,166	62,583	(403,842)	321,120	-	2,753,027

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

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
	7,996,770	32,100	281,576	(1,292,990)	(132,611)	925,992	7,810,837

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
	8,797,150	32,334	265,172	(914,041)	(155,866)	(27,979)	7,996,770

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)
Balance carried forward 31 July 2024	5,042,104	4,518,842
Louis Dundas – Chair in Palliative Care		
Balance brought forward 1 August 2023	-	-
Received in year	2,000,000	-
Balance carried forward 31 July 2024	2,000,000	-
Total Endowment Funds at 31 July 2024	7,042,104	4,518,842

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)

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