

Charity Registration No. 1178339

MADDI'S BUTTERFLIES
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2021

MADDI'S BUTTERFLIES

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees

H Foster
K Foster
S Cumbo
D Boardman
S Allan (Chair)
M Allan
N Hall

Charity number

1178339

Principal address

3 Lords Crescent
Lower Darwen
Darwen
Lancashire
BB3 0SU

Independent examiner

Peter Atkinson F.C.A.
Jackson Stephen LLP
James House, Stonecross Business Park
Yew Tree Way
Warrington
Cheshire
WA3 3JD

Bankers

National Westminster Bank Plc
Market Street
Darwen
Lancashire
BB3 1BN

MADDI'S BUTTERFLIES

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MADDI'S BUTTERFLIES

TRUSTEES' REPORT

FOR THE YEAR ENDED 30 APRIL 2021

The trustees present their annual report and financial statements for the year ended 30 April 2021.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's governing document, 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 UK and Republic of Ireland (FRS 102) (effective 1 January 2019)".

Objectives and activities

The charity's objects are to relieve the needs of young people with Neuroblastoma and other rare forms of childhood cancers, their families and carers as the trustees shall determine. The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake. The trustees are satisfied that they have complied with their duty to have due regard to the guidance on public benefit published by the Commission in exercising their powers or duties.

The charity continues to strive to put a smile back on the faces of children suffering with rare childhood cancers. This may be by way of arranging for a child to receive a 'Smile Bag'; a specially designed and bespoke goody bag with treats, toys and other gifts. The charity also arranges for children and families affected by childhood cancers, to have time away in their specially kitted out caravan.

The charity also assists in alleviating some of the financial burden on the families of these children by providing them with these gifts and treats, as well as any equipment that might be needed.

MADDI'S BUTTERFLIES

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2021

Achievements and performance

The charity had a strong performance in its second year operating as a CIO, building on the successes of the original trust.

Despite the challenges of the COVID-19 pandemic, the performance of the charity shop continued to be strong during the year to 30 April 2021, for periods where it was allowed to remain open. Turnover of nearly £40,000 was achieved, despite forced closures during spring/summer 2020, November 2020 and early 2021. Trustees took steps to make sure that all government backed grants available to the charity were applied for and received during this period. These grants provided for the running costs of the charity during the first UK lockdown and have continued to be utilised during periods when the shop has had to be closed due to further restrictions.

The charity continued to roll out its new 'Smile Bag' project during the year to 30 April 2021. The bags are provided to children beginning their cancer treatment at the Royal Manchester Children's Hospital. The reusable bags are specially designed and filled with fun and age-appropriate goodies. Although this wasn't a factor in the initial plans, we have found that the goody bags are especially welcome during the current COVID-19 pandemic. Children undergoing cancer treatment are at a higher risk if they contract this illness. Consequently, they and their families are subject to even more restrictions, such as continued self-isolation and no physical contact with wider family and friends, even during periods when restrictions were eased. This is all during what is already a very difficult time for them. The bags let them know they are important and cared for during this time. The Smile Bags are proving immensely popular, and it is a project that trustees are keen to expand. Grants have been sought to cover the costs of preparing the bags.

Use of the charity's caravan was severely impacted by the COVID-19 pandemic. Due to lockdowns and other restrictions, it was just not possible for it to be used by families for prolonged periods during the year. Grants secured in previous years helped the charity to maintain the caravan during the period, and once restrictions eased, it has been possible to begin providing holidays again.

The annual Silly Hat Day and Pyjama Appeal both ran in 2020 with support growing during the year to 30 April 2021. 500 pairs of pyjamas were received as part of the annual appeal in December 2020 and over 100 children were provided with pyjamas and gifts at the Royal Manchester Children's Hospital. The trustees recognise that the Pyjama Appeal is extremely popular and are keen to try to extend the appeal in future years, although this was curtailed by the COVID-19 pandemic during 2020 and 2021.

In terms of the future, trustees continue to be mindful of the effects of the COVID-19 pandemic. Our normal fundraising channels have been diminished since the pandemic began. We are working very hard to apply for grants and we have been successful in receiving funding to ensure that we are able to continue to meet our charitable objectives. We are immensely proud that even with the backdrop of the pandemic, we were able to launch a successful project in early 2020, and this went from strength to strength during 2021.

Chair's financial review

We remain extremely grateful for everything our supporters and donors, both locally and nationally, do for Maddi's Butterflies. We rely so much on the goodwill of our supporters, which in turn enables us to not only continue to fulfil our objectives, but to also expand our offering to help ease the suffering of as many children undergoing cancer treatment as we can.

Financial review

The total incoming resources on unrestricted funds during the year amounted to £94,116 (2020 - £122,244).

The total incoming resources on restricted funds during the year amounted to £17,014 (2020 - £23,122).

The total resources expended on unrestricted funds during the year amounted to £74,750 (2020 - £88,373).

Unrestricted fund balances at the year-end amounted to £53,237 (2020 - £33,871).

The total resources expended on restricted funds during the year amounted to £9,442 (2020 - £11,027).

Restricted fund balances at the year-end amounted to £19,667 (2020 - £12,095).

MADDI'S BUTTERFLIES

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2021

It is the policy of the charity that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to between three and six month's expenditure. The trustees considers that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the charity's current activities while consideration is given to ways in which additional funds may be raised. This level of reserves has been maintained throughout the year.

Structure, governance and management

The charity was registered as a Charitable Incorporated Organisation on 10 May 2018.

The trustees who served during the year and up to the date of signature of the financial statements were:

H Foster

K Foster

S Cumbo

D Boardman

S Allan (Chair)

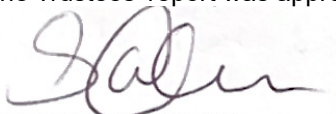
M Allan

N Hall

The chair is responsible for the induction of new trustees. The induction provides new trustees with an awareness of their responsibilities, the governing document and the history and philosophical approach of the charity.

There are currently 7 trustees who meet quarterly. The trustees have assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

The Trustees' report was approved by the Board of Trustees.



S Allan (Chair)

Dated: 24 February 2022

MADDI'S BUTTERFLIES

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF MADDI'S BUTTERFLIES

I report to the trustees on my examination of the financial statements of Maddi's Butterflies (the charity) for the year ended 30 April 2021.

Responsibilities and basis of report

As the trustees of the charity you are responsible for the preparation of the financial statements in accordance with the requirements of the Charities Act 2011 (the 2011 Act).

I report in respect of my examination of the charity's financial statements carried out under section 145 of the 2011 Act. In carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

- 1 accounting records were not kept in respect of the charity as required by section 130 of the 2011 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the financial statements to be reached.



Peter Atkinson F.C.A.

Jackson Stephen LLP
James House, Stonecross Business Park
Yew Tree Way
Warrington
Cheshire
WA3 3JD

Dated: 24/02/2022

MADDI'S BUTTERFLIES

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 30 APRIL 2021

		Unrestricted funds 2021 £	Restricted funds 2021 £	Total Unrestricted funds 2021 £	Restricted funds 2020 £	Total 2020 £
	Notes					
Income from:						
Donations and legacies	3	54,781	17,014	71,795	53,396	76,518
Other trading activities	4	39,321	-	39,321	68,820	68,820
Investments	5	14	-	14	28	28
Total income		94,116	17,014	111,130	23,122	145,366
Expenditure on:						
Raising funds	6	48,624	-	48,624	-	45,332
Charitable activities	7	26,126	9,442	35,568	11,027	54,068
Total resources expended		74,750	9,442	84,192	11,027	99,400
Net income for the year/ Net movement in funds		19,366	7,572	26,938	12,095	45,966
Fund balances at 1 May 2020		33,871	12,095	45,966	-	-
Fund balances at 30 April 2021		53,237	19,667	72,904	12,095	45,966

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

All income and expenditure derive from continuing activities.

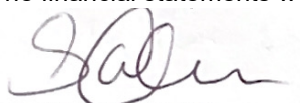
MADDI'S BUTTERFLIES

BALANCE SHEET

AS AT 30 APRIL 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Tangible assets	11		20,465		22,965
Current assets					
Stocks	12	3,000		500	
Debtors	13	2,000		-	
Cash at bank and in hand		49,537		24,685	
		<u>54,537</u>		<u>25,185</u>	
Creditors: amounts falling due within one year	14	<u>(2,098)</u>		<u>(2,184)</u>	
Net current assets			52,439		23,001
Total assets less current liabilities			<u>72,904</u>		<u>45,966</u>
Income funds					
Restricted funds	16		19,667		12,095
Unrestricted funds			53,237		33,871
			<u>72,904</u>		<u>45,966</u>

The financial statements were approved by the Trustees on 24 February 2022



S Allan (Chair)
Trustee

MADDI'S BUTTERFLIES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2021

1 Accounting policies

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's governing document, 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 UK and Republic of Ireland (FRS 102) (effective 1 January 2019)". The charity is a Public Benefit Entity as defined by FRS 102.

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

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

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

1.3 Charitable funds

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

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

1.5 Expenditure

Resources expended are recognised in the period in which they are paid and include attributable VAT which cannot be recovered.

Where resources expended relate to a specific activity, the cost has been directly allocated to that activity when the amount is paid.

Support costs have been allocated to the activities on a basis consistent with the level of direct expenditure incurred on each activity, excluding voluntary income in respect of donations and legacies.

MADDI'S BUTTERFLIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2021

1 Accounting policies

(Continued)

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses.

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Caravan	15% per annum on a reducing balance basis
Fixtures and fittings	15% per annum on a reducing balance basis

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

1.7 Impairment of fixed assets

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

1.8 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition. Items held for distribution at no or nominal consideration are measured the lower of replacement cost and cost.

Net realisable value is the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

1.9 Cash and cash equivalents

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

1.10 Financial instruments

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

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

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

Basic financial assets

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

MADDI'S BUTTERFLIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2021

1 Accounting policies

(Continued)

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the charity transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Basic financial liabilities

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

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

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

Derecognition of financial liabilities

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

1.11 Employee benefits

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

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

2 Critical accounting estimates and judgements

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

There are no critical accounting estimates and judgements required in the preparation of the financial statements.

MADDI'S BUTTERFLIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2021

3 Donations and legacies

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2021 £	2021 £	2021 £	2020 £	2020 £	2020 £
Donations and gifts	5,541	-	5,541	53,396	18,010	71,406
Grants receivable	49,240	17,014	66,254	-	5,112	5,112
	<u>54,781</u>	<u>17,014</u>	<u>71,795</u>	<u>53,396</u>	<u>23,122</u>	<u>76,518</u>

4 Other trading activities

	Unrestricted funds	Unrestricted funds
	2021 £	2020 £
Fundraising events	141	3,332
Shop income	39,180	65,488
Other trading activities	<u>39,321</u>	<u>68,820</u>

5 Investments

	Unrestricted funds	Unrestricted funds
	2021 £	2020 £
Interest receivable	<u>14</u>	<u>28</u>

MADDI'S BUTTERFLIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2021

6 Raising funds

	Unrestricted funds	Unrestricted funds
	2021 £	2020 £
<u>Fundraising and publicity</u>		
Staging fundraising events	1,312	2,632
Other fundraising costs	216	291
Depreciation and impairment	21	44
	<hr/>	<hr/>
Fundraising and publicity	1,549	2,967
	<hr/>	<hr/>
<u>Trading costs</u>		
Operating charity shops	15,241	17,394
Depreciation and impairment	1,518	1,669
Support costs	30,316	23,302
	<hr/>	<hr/>
Trading costs	47,075	42,365
	<hr/>	<hr/>
	48,624	45,332
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MADDI'S BUTTERFLIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2021

7 Charitable activities

	Gifts provided 2021 £	Caravan costs 2021 £	Total 2021 £	Gifts provided 2020 £	Caravan costs 2020 £	Total 2020 £
Depreciation and impairment	71	1,997	2,068	175	2,568	2,743
Gifts provided/Caravan costs	1,866	7,716	9,582	12,546	11,027	23,573
	<u>1,937</u>	<u>9,713</u>	<u>11,650</u>	<u>12,721</u>	<u>13,595</u>	<u>26,316</u>
Share of support costs (see note 8)	6,875	15,050	21,925	12,828	13,711	26,539
Share of governance costs (see note 8)	630	1,363	1,993	586	627	1,213
	<u>9,442</u>	<u>26,126</u>	<u>35,568</u>	<u>26,135</u>	<u>27,933</u>	<u>54,068</u>
Analysis by fund						
Unrestricted funds	-	26,126	26,126	26,135	16,906	43,041
Restricted funds	9,442	-	9,442	-	11,027	11,027
	<u>9,442</u>	<u>26,126</u>	<u>35,568</u>	<u>26,135</u>	<u>27,933</u>	<u>54,068</u>

8 Support costs

	Support costs £	Governance costs £	2021 £	Support costs £	Governance costs £	2020 £
Staff costs	48,313	-	48,313	48,017	-	48,017
Printing	1,118	-	1,118	365	-	365
IT Software	413	-	413	584	-	584
Consultancy	114	-	114	-	-	-
Accountancy	-	4,276	4,276	-	2,088	2,088
	<u>49,958</u>	<u>4,276</u>	<u>54,234</u>	<u>48,966</u>	<u>2,088</u>	<u>51,054</u>
Analysed between						
Trading	28,033	2,283	30,316	22,427	875	23,302
Charitable activities	21,925	1,993	23,918	26,539	1,213	27,752
	<u>49,958</u>	<u>4,276</u>	<u>54,234</u>	<u>48,966</u>	<u>2,088</u>	<u>51,054</u>

Governance costs includes payments to the accountants of £1,386 for independent examination fees.

MADDI'S BUTTERFLIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2021

9 Trustees

One of the trustees received remuneration during the year of £19,800 (2020 - £19,800) .

10 Employees

The average monthly number of employees during the year was:

	2021 Number	2020 Number
Charitable activities	3	2
Management	1	1
Total	4	3

Employment costs

	2021 £	2020 £
Wages and salaries	48,313	48,017

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

11 Tangible fixed assets

	Caravan £	Fixtures and fittings £	Total £
Cost			
At 1 May 2020	14,145	13,276	27,421
Additions	-	1,107	1,107
At 30 April 2021	14,145	14,383	28,528
Depreciation and impairment			
At 1 May 2020	2,299	2,157	4,456
Depreciation charged in the year	1,777	1,830	3,607
At 30 April 2021	4,076	3,987	8,063
Carrying amount			
At 30 April 2021	10,069	10,396	20,465
At 30 April 2020	11,846	11,119	22,965

MADDI'S BUTTERFLIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2021

12 Stocks

	2021 £	2020 £
Gifts and consumables	3,000	500

13 Debtors

	2021 £	2020 £
Amounts falling due within one year:		
Prepayments and accrued income	2,000	-

14 Creditors: amounts falling due within one year

	2021 £	2020 £
Other taxation and social security	483	466
Trade creditors	150	278
Other creditors	79	-
Accruals and deferred income	1,386	1,440
	2,098	2,184

15 Retirement benefit schemes

The charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund.

16 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds			Movement in funds		
	Incoming resources £	Resources expended £	Balance at 1 May 2020 £	Incoming resources £	Resources expended £	Balance at 30 April 2021 £
Funds provided for the provision of Smile Bags	23,122	(11,027)	12,095	17,014	(9,442)	19,667

MADDI'S BUTTERFLIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2021

17 Analysis of net assets between funds

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £
Fund balances at 30 April 2021 are represented by:						
Tangible assets	20,465	-	20,465	22,965	-	22,965
Current assets/ (liabilities)	32,772	19,667	52,439	10,906	12,095	23,001
	<u>53,237</u>	<u>19,667</u>	<u>72,904</u>	<u>33,871</u>	<u>12,095</u>	<u>45,966</u>

18 Related party transactions

Other than trustee's remuneration as disclosed in note 9 there were no other related party transactions.