
CHILDREN'S HEART SURGERY FUND
(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

CHILDREN'S HEART SURGERY FUND
(A company limited by guarantee)

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CHILDREN'S HEART SURGERY FUND
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 DECEMBER 2018**

Trustees

Mr G L Berks (resigned 19 November 2018)
Mr J J M Whitaker
Ms C van Doorn
Dr J Oliver
Mr A Chilton
Mr H Malik
Mr R C Smith (resigned 10 June 2018)
Mrs S Robinson
Mr M Curle (resigned 20 March 2018)
Mr P Goodwin
Mr S Maule
Dr S Matley

Company registered number

08152970

Charity registered number

1148359

Registered office

3 Oxford Place, Leeds, LS1 3AX

Chief executive officer

Sharon Milner

Independent auditors

Haines Watts Leeds LLP, Sterling House, 1 Sheepscar Court, Meanwood Road, Leeds, LS7 2BB

Bankers

Yorkshire Bank, 19 St Sepulchre Gate, Doncaster, DN1 1SJ

Investment managers

Rathbone Investment Management Ltd, Port of Liverpool Building, Pier Head, Liverpool, L3 1NW

CHILDREN'S HEART SURGERY FUND
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2018

The Trustees (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the audited financial statements of the Children's Heart Surgery Fund (the company) for the year ended 31 December 2018. The Trustees confirm that the annual report and financial statements of the company comply with the current statutory requirements, the requirements of the company's governing document and the provisions of the Statement of Recommended Practice (SORP).

Since the charity qualifies as small under section 383, the strategic report required of medium and large companies under The Companies Act 2006 (Strategic Report and Director's Report) Regulations 2013 is not required.

OBJECTIVES AND ACTIVITIES

The main objective of the charity is to enhance the quality of care and support available to babies, young children and adult congenital cardiac patients, who are treated at the Leeds Congenital Heart Unit, based at Leeds General Infirmary. This objective is presently fulfilled for the benefit of the public in a number of ways:

- Provision of new and mostly revolutionary equipment not available from NHS resources, in order to improve the care available to beneficiaries of the Leeds Heart Unit. The charity also awards grants to Leeds Congenital Cardiac staff, so they can attend specialist courses, not otherwise available to them, to further their expertise, with a view to improving patient care.
- Supply of equipment and other items which make the children's wards and play areas more user friendly and more conducive to a child's recovery, while under the care of the Congenital Heart ward.
- Funding for a small number of specialist research projects and posts when the need arises, which enhance knowledge and expertise in the field, in order to benefit future beneficiaries.
- Funding for the costs of medical, nursing and other health professionals with a view to the positions eventually being funded by LTHT.
- Funding for family accommodation
- Providing Financial Assistance, direct to families.

GRANT MAKING POLICIES

The organisation's objective is achieved through grant-making activity.

a) Beneficiary Status

The Charity will consider relevant applications for grants from:

1. LTHT clinician's and employees working for the Leeds Congenital Heart Service.
2. Congenital heart patients & their families
3. Voluntary organisations
4. Charitable organisations

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2018

b) Geographical area

The charity provides regional support, in line with the support given from the Leeds congenital heart Unit, which covers Yorkshire & the Humber, and North Lincolnshire.

c) Size of grants

The amount of each grant varies, depending on the project. Trustees set budgets for grant expenditure based on anticipated income and the need to maintain an appropriate level of reserves.

d) Assessment process

1. Relevant information is gathered via submitted application forms
2. Applications are considered by the Chief Executive officer, The Finance Sub-Committee or the Trustee Board as determined by agreed authority levels. Decisions are made based on the extent to which the proposal furthers the aims and objectives of the charity, and the scope of available resources.

e) Post Award Review

The Charity reserves the right to request, from the applicant, confirmation that funds have been spent appropriately. It may also, where appropriate, ask applicants for one or more report(s)/update(s) to update CHSF trustees on the progress of the project and assess the effectiveness of any funding. The report should be submitted to the Trustees within six months.

VOLUNTEERS

Volunteers play a key and valued role in the charity's fundraising operations. Volunteers are supported in their activities by the charity's professional fundraising team in accordance with organisational policies.

ACHIEVEMENTS AND PERFORMANCE

Review of activities

Early 2018 saw the closure of CHSF's 'Keeping the Beat Appeal'. The appeal reached its target of £500k. This made a significant contribution to the total £1.9 million donated by CHSF, to fund equipment in the new hybrid operating theatre. The Heart theatre will be completed and treat the first patient, in early 2019.

CHSF published the charity's first Social impact report in the charity's history. Our research shows we are among the first charities in our niche sector to produce an impact report. The report has helped us to focus future activity.

Medical Equipment and courses

Further significant grants were awarded during 2018. Medical equipment funded is equipment not available from NHS resources and improves the care available to patients of the Leeds Congenital Heart Unit. Funding to attend specialist courses, not otherwise available through the NHS, enhances expertise.

Non- medical equipment

Grants for items to enhance the Congenital Heart Ward and play area creates an environment more conducive to recovery by minimising stress. We have supplied play projectors, play stations, TVs and a fish tank. The overall aim is to aid patient recovery.

CHILDREN'S HEART SURGERY FUND
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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2018

Family grants

The charity continues to support families with financial support grants, as well as providing extraordinary grants for exceptional circumstances. We have seen an increase in this type of support over the last year. Patients and their families benefit enormously from this kind of assistance. Financial difficulties can add to the trauma of the diagnosis and treatment when income is reduced. Families face additional expenses such as the cost of food, travel and parking when living in the Hospital for long periods, which places an increased burden on the family budget.

Approved Research Grants

Research Post

Vitamin D researcher

Over the past few years we have increased support for cardiac staff positions in some areas. In March 2018, Trustees approved an application to research into Vitamin D levels in Children who have Congenital Heart Disease to investigate whether Children with low vitamin D levels have a cardiac impairment. This work continues and if published could lead to further high- level research.

Senior paediatric cardiology trainee

This approved training will increase the expertise in the management of heart muscle disease (cardiomyopathy) a rare genetic disease in Children. The training and development will take place at the Brompton Hospital, but the researcher will continue her role with the Cardiac team when she completes her training. This way, the expertise will enhance the care for the patients of Yorkshire and Humberside.

Research nurse

It is believed that patients benefit from meeting the research team when approached about a Research Study. Having a research nurse can free consultants' and specialist nurses' time. A research nurse will also be able to flexibly plan research study visits around other hospital appointments, to reduce additional travel burden for the participating patients. Patients also benefit from the continuity of seeing the same person before and during a study visit.

Furthermore, having a research nurse within the department will raise awareness of the importance of research within the Congenital Heart Disease department. A research nurse will also help other team members to get involved and design research studies, for example providing help and support with ethics applications and other research planning activities.

Support Roles

Physiotherapy post

This post was created to support and meet the needs of the most complex of Adult patients who have Congenital Heart Disease (Fontan patients). This supported role has made significant headway in improving the lives of this particular group of Adult patients.

Youth Worker

CHSF has approved joint funding for another year along with other charities and LTHT within the Children's Hospital. The Place 2B is a communal youth area, created to support patients who are able to get away from their bed or Ward for a short respite while under the care of the Hospital.

CHILDREN'S HEART SURGERY FUND
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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2018

Support for Psychology

Admin support is desperately needed in LTHT's psychology team, CHSF has agreed to help with partial support for one year with a view that LTHT will take on this role in the near future.

Eckersley House

Eckersley House, adjacent to the Children's Hospital, provides accommodation for families from outside the Leeds area, whose children are being treated in the intensive care unit. The Sick Children's Trust runs the home from home accommodation. In recognition of the heavy use made of the house by the Congenital Heart Unit's parents, CHSF donates a substantial amount to the running costs per year. CHSF have supported Eckersley House for many years, the total sum gifted comes to over half a million pounds.

Moving away from Hospital premises

Following the decision to expand the Charity to increase the support it is able to provide, CHSF moved from the limited Hospital space available in the Leeds Teaching Hospital to larger premises close to the hospital. This has enabled the Charity to expand its operations, provide a better working environment for CHSF Staff and significantly increase the fundraising team. As a result, the charity has seen an increase in its income. The move has also enabled the building to be used to host meetings, run workshops and will potentially allow 'holistic' work around supporting families in the future.

Fundraising

Children's Heart Surgery Fund receives no statutory funding and relies 100% on voluntary donations. To raise the majority of funds, we actively support individuals and groups fundraising within the community, as well as developing corporate partnerships across Yorkshire and Humber. In the last year, we did not use a third party professional or commercial participator.

Investment has been made in an increased fundraising team and the lease of premises to accommodate the larger staff team. It is anticipated that this will lead to an increase in funds available to support beneficiaries, we aim to focus on regular giving in 2019, which will enhance future stability.

In 2019 we will see the implementation of a new database, the new system will enable staff to work more effectively, superseding the less effective current system. The new system will enable us to work in a more streamlined and systematic way and will aid financial reporting and segmentation of data, helping us to focus on marketing the work of the charity as well as raising funds.

Fundraising activity carried out on behalf of CHSF is carefully and closely monitored by the Fundraising Manager every month to ensure adherence to the Fundraising Code of conduct. The team offers a wide range of advice and support to ensure compliance, as well as delivering excellent supporter experience.

GDPR

This year we employed a GDPR specialist to deliver a program of work to make sure we comply with the new General Data Protection Regulation (May 2018). We provided tailored staff guidance and training. We are committed to protecting personal information and being transparent about what we do with it.

Investment policy and performance

The investment manager meets regularly with the Trustees to assess portfolio performance, risk management, future market expectations and the long-term investment strategy. As at year end the investment portfolio was valued at £1,800,434 with income received in the period £43,588.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2018

The amount held in investments has fallen during the year as commitments made in respect of the new hybrid theatre have been met.

Investments will fall further when the final hybrid theatre payment (£1,052k) is made in early 2019. Sums under investment will therefore be considerably lower than in previous years. An exercise is therefore currently underway to re-assess the charity's attitude to risk prior to reviewing the investment strategy.

The Trustees are satisfied with the level of return achieved during the year. The estimated income yield is 2.3% with actual income received 2.4%.

FINANCIAL REVIEW

Going Concern

After making appropriate enquiries, the trustees have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

Results for the year

The attached financial statements show the results of the charity for the year ended 31 December 2018.

There was a net deficit for the year before investment gains and losses of £29,172.

Although investment fell following significant contributions to the Hybrid Theatre, overall income was 22.5% higher than last year due to the receipt of a significant legacy and strong fundraising performance following expansion of the fundraising team.

Expenditure on salaries and general running costs has increased due to the charity's expansion and move to new premises.

The charity has spent £821,350 on charitable activities.

Reserves policy

The Charity Commission uses the term 'reserves' to describe that part of a charity's freely available income funds. 'Reserves' are therefore the resources that Children's Heart Surgery Fund has or can make available to spend for any or all the charity's purposes once it has met its commitments and covered its other planned expenditure.

Children's Heart Surgery Fund is mindful of the need to safeguard the viability of its services to the community beyond the immediate future. We believe it to be good practice to provide for future uncertainties by putting aside, where possible, some of our current income as a reserve.

Responsibility for establishing an appropriate reserves policy lies with Children's Heart Surgery Fund Trustees who understand the business of the charity. Our Trustees have taken care to consider the needs of the business in setting a level of reserves that they believe to be appropriate.

CHILDREN'S HEART SURGERY FUND
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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2018

Having considered all the factors, the Trustees have agreed that Children's Heart Surgery Fund should aim to maintain reserves between £600k & £900k for the following reasons:

- This range is broadly equal to twelve to eighteen months expenditure of the Charity.
- This range will ensure that all commitments made by the Charity can be honoured.
- This range will ensure that the Charity can continue for an appropriate amount of time without dependency upon large legacy cash inflows.

The Charity will ensure that the reserves remain within the agreed range through;

- Creation of detailed budgets and plans to estimate likely cash inflows and outflows over a three year horizon.
- Careful monitoring of the reserves levels through the quarterly Finance Committee meetings and Quarterly Trustee meetings.
- The reserves policy will be reviewed and approved annually by the Trustees.

At the end of 2018, reserves were £809k and represented 8.9 months' expenditure. A budget for 2019 and projections for the subsequent 4 years prepared on the basis that compliance with the reserves policy will be achieved by the end of 2023.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The charity is registered as a charitable company limited by guarantee and constituted under the articles of association.

The registered charity number is 1148359.

Method of appointment or election of trustees

Trustees are appointed by the Board of Trustees. Trustees hold office for a five year period after which period they may put themselves forward for reappointment. Appointment review dates are structured to ensure continuity of experience and to allow for succession planning.

Policies adopted for the induction and training of trustees

New Trustees are recruited to ensure that collectively the Board maintains a broad range of varied backgrounds, skills and experience. We endeavour to ensure the needs of our beneficiaries are reflected by the diversity of the Board in terms of the skills and interests represented.

Potential Trustees are briefed to ensure they understand the objects, activities, strategy and ethos of the charity.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2018

Organisational structure and decision making

The Trustees are required to meet twice as a minimum in every calendar year, but they actually meet at least five times a year to assess grant applications, review ongoing projects and to discuss any other matters that may arise. Day-to-day management of the charity is delegated to the Chief Executive.

An annual budget is prepared and approved by the Trustees at the beginning of each year, incorporating the projected costs of agreed commitments under the equipment, research, training, management, and family support headings.

Risk management

The Trustees have assessed the major risks to which the charity is exposed, those related to the operations and finances of the charity and are satisfied that systems and procedures are in place to mitigate our exposure to the major risks.

PLANS FOR THE FUTURE

Future developments

Overall, CHSF's new 3-5 Year strategy continues to support the Leeds Congenital Heart Unit in becoming a World Class centre of excellence by carrying on with the funding of equipment, education and staff posts, along with many other areas of support. We will retain focus on the 4 key areas: the Heart, the Mind, the Family and the Future.

Within the work on our new strategy, we undertook a consultation exercise that determined families of patients affected by congenital heart disease would welcome more direct support.

On the back of this piece of work, a programme of 'holistic support' for families was created. In July 2019, we will appoint a Family Support Worker. The overall aim is to bridge the gap between the Hospital and the Charity, and run some family led services to support families through this challenging time.

The holistic package will include Welcome packs for families, Complementary therapies & Family Camps. We believe the camps will provide some 'quality' family time together, meeting the needs of the families who would not ordinarily be able to afford the cost of a family break, away from home. The expansion of fundraising activity will enable the charity to provide additional support to families, while maintaining its current programme of grant funding.

PUBLIC BENEFIT

The Trustees consider the objectives and achievements of the charity, as set out above, satisfy the requirements of the public benefit guidance published by the Charity Commission.

TRUSTEES' RESPONSIBILITIES STATEMENT

The Trustees (who are also directors of The Children's Heart Surgery Fund for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

CHILDREN'S HEART SURGERY FUND
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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2018

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

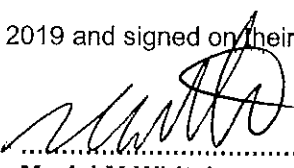
AUDITORS

The auditors, Haines Watts Leeds LLP, have indicated their willingness to continue in office. The Designated Trustees will propose a motion re-appointing the auditors at a meeting of the Trustees.

In preparing this report, the Trustees have taken advantage of the small companies exemption provided by section 415A of the Companies Act 2006.

This report was approved by the Trustees, on 18 April 2019 and signed on their behalf by:


.....
Mr A Chilton
Trustee


.....
Mr J J M Whitaker
Trustee

CHILDREN'S HEART SURGERY FUND
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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CHILDREN'S HEART SURGERY FUND

OPINION

We have audited the financial statements of Children's Heart Surgery Fund (the 'charitable company') for the year ended 31 December 2018 set out on pages 13 to 32. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2018 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

OTHER INFORMATION

The Trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditors' report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CHILDREN'S HEART SURGERY FUND

required to report that fact.

We have nothing to report in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

- the information given in the Trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report has been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of our knowledge and understanding of the charitable company 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 Companies Act 2006 requires us to report to you if, in our opinion:

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

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the trustees' responsibilities statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

CHILDREN'S HEART SURGERY FUND
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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CHILDREN'S HEART SURGERY FUND

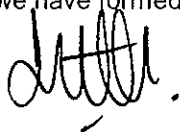
AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

USE OF OUR REPORT

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



James Sutton BA (Hons) FCA (Senior Statutory Auditor)

for and on behalf of

Haines Watts Leeds LLP

Chartered Accountants &
Statutory Auditor

Sterling House
1 Sheepscar Court
Meanwood Road
Leeds
LS7 2BB

13 May 2019

CHILDREN'S HEART SURGERY FUND
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**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2018**

		Unrestricted funds	Restricted funds	Total funds	Total funds 2017 (As restated)
	Note	2018 £	2018 £	2018 £	2017 £
INCOME FROM:					
Donations and legacies	5	261,842	120,859	382,701	214,011
Other trading activities:					
Fundraising	6	446,714	185,120	631,834	593,146
Investments	7	43,588	-	43,588	56,451
TOTAL INCOME		752,144	305,979	1,058,123	863,608
EXPENDITURE ON:					
Raising funds:					
Fundraising trading		242,817	-	242,817	172,636
Investment management		19,578	-	19,578	16,972
Charitable activities:					
Governance		3,550	-	3,550	2,923
Other charitable activities		486,171	335,179	821,350	2,429,274
TOTAL EXPENDITURE		752,116	335,179	1,087,295	2,621,805
NET INCOME / (EXPENDITURE) BEFORE INVESTMENT GAINS/(LOSSES)		28	(29,200)	(29,172)	(1,758,197)
Net gains/(losses) on investments	16	(115,524)	-	(115,524)	107,847
NET EXPENDITURE BEFORE OTHER RECOGNISED GAINS AND LOSSES		(115,496)	(29,200)	(144,696)	(1,650,350)
NET MOVEMENT IN FUNDS		(115,496)	(29,200)	(144,696)	(1,650,350)
RECONCILIATION OF FUNDS:					
Total funds brought forward		989,931	45,699	1,035,630	2,685,980
TOTAL FUNDS CARRIED FORWARD		874,435	16,499	890,934	1,035,630

The notes on pages 16 to 32 form part of these financial statements.

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REGISTERED NUMBER: 08152970


BALANCE SHEET
AS AT 31 DECEMBER 2018

	Note	£	2018 £	£	2017 £
FIXED ASSETS					
Intangible assets	14		345		388
Tangible assets	15		64,678		9,266
Investments	16		1,800,434		2,592,750
			<u>1,865,457</u>		<u>2,602,404</u>
CURRENT ASSETS					
Debtors	17	34,558		14,587	
Cash at bank and in hand		404,551		459,058	
		<u>439,109</u>		<u>473,645</u>	
CREDITORS: amounts falling due within one year	18	(1,413,632)		(2,040,419)	
NET CURRENT LIABILITIES			<u>(974,523)</u>		<u>(1,566,774)</u>
NET ASSETS			<u>890,934</u>		<u>1,035,630</u>
CHARITY FUNDS					
Restricted funds	19		16,499		45,699
Unrestricted funds	19		874,435		989,931
TOTAL FUNDS			<u>890,934</u>		<u>1,035,630</u>

The company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved and authorised for issue by the Trustees on 18 April 2019 and signed on their behalf, by:


.....
Mr A Chilton


.....
Mr J J M Whitaker

CHILDREN'S HEART SURGERY FUND
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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2018

	Note	2018 £	2017 £
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	24	<u>(706,889)</u>	<u>88,389</u>
Cash flows from investing activities:			
Dividends, interest and rents from investments		43,588	56,451
Proceeds from the sale of tangible fixed assets		-	8,109
Purchase of tangible fixed assets		(67,997)	(8,715)
Proceeds from sale of investments		1,744,301	100,199
Purchase of investments		<u>(1,067,510)</u>	<u>(414,022)</u>
Net cash provided by/(used in) investing activities		<u>652,382</u>	<u>(257,978)</u>
Change in cash and cash equivalents in the year		<u>(54,507)</u>	<u>(169,589)</u>
Cash and cash equivalents brought forward		459,058	628,647
Cash and cash equivalents carried forward	25	<u><u>404,551</u></u>	<u><u>459,058</u></u>

The notes on pages 16 to 32 form part of these financial statements.

CHILDREN'S HEART SURGERY FUND
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

1. GENERAL INFORMATION

Children's Heart Surgery Fund is a charity incorporated in England and Wales at 3 Oxford Place, Leeds, LS1 3AX under company registered number 08152970 and charity registered number 1148359.

2. STATEMENT OF COMPLIANCE

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

3. ACCOUNTING POLICIES

3.1 Basis of preparation of financial statements

Children's Heart Surgery Fund meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

3.2 Company status

The company is a company limited by guarantee. The members of the company are the Trustees named on page 1. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the company.

3.3 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the company and which have not been designated for other purposes.

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

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

Investment income, gains and losses are allocated to the appropriate fund.

CHILDREN'S HEART SURGERY FUND
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

3. ACCOUNTING POLICIES (continued)

3.4 Income

All income is recognised once the company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

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

Donated services or facilities are recognised when the company has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use of the company of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), the general volunteer time of the volunteers is not recognised and refer to the Trustees' report for more information about their contribution.

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

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

CHILDREN'S HEART SURGERY FUND
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

3. ACCOUNTING POLICIES (continued)

3.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities. Support costs are those costs incurred directly in support of expenditure on the objects of the company and include project management carried out at Leeds General Infirmary. Governance costs are those incurred in connection with administration of the company and compliance with constitutional and statutory requirements.

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities and Governance costs are costs incurred on the company's educational operations, including support costs and costs relating to the governance of the company apportioned to charitable activities.

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

All expenditure is inclusive of irrecoverable VAT.

3.6 Intangible fixed assets and amortisation

Intangible assets are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably. Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment

Amortisation is provided on intangible fixed assets at rates calculated to write off the cost of each asset, less their estimated residual value, over their expected useful lives on the following bases:

Katie Bear trademark	-	10% straight line
Trademarks	-	10% straight line

CHILDREN'S HEART SURGERY FUND
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

3. ACCOUNTING POLICIES (continued)

3.7 Tangible fixed assets and depreciation

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the statement of financial activities incorporating income and expenditure account.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Motor vehicles	-	20% straight line
Fixtures and fittings	-	25% straight line
Equipment	-	25% straight line

3.8 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the balance sheet date, unless fair value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading 'Gains/(losses) on investments' in the statement of financial activities incorporating income and expenditure account.

3.9 Operating leases

Rentals under operating leases are charged to the statement of financial activities incorporating income and expenditure account on a straight line basis over the lease term.

3.10 Interest receivable

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

3.11 Taxation

The company is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the company is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

3.12 Debtors

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

CHILDREN'S HEART SURGERY FUND
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

3. ACCOUNTING POLICIES (continued)

3.13 Functional and presentation currency

The company's functional and presentational currency is GBP (£).

3.14 Cash at Bank and in hand

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

3.15 Liabilities and provisions

Liabilities 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. Liabilities are recognised at the amount that the company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

4. JUDGMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Preparation of the financial statements requires management to make significant judgments and estimates. The items in the financial statements where these key judgments and estimates have been made include the depreciation of fixed assets and the provisions for costs included within accruals and deferred income.

5. INCOME FROM DONATIONS AND LEGACIES

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Donations	109,586	5,917	115,503	83,474
Legacies	116,949	-	116,949	-
Grants	1,450	114,942	116,392	86,937
Gift aid	33,857	-	33,857	43,600
	<hr/>	<hr/>	<hr/>	<hr/>
Total donations and legacies	261,842	120,859	382,701	214,011
	<hr/>	<hr/>	<hr/>	<hr/>
Total 2017	91,039	122,972	214,011	
	<hr/>	<hr/>	<hr/>	

CHILDREN'S HEART SURGERY FUND
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

6. INCOMING RESOURCES FROM ACTIVITIES FOR GENERATING FUNDS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Other income	5,014	-	5,014	3,354
Fundraising events	371,848	11,135	382,983	365,799
Corporate Partners	63,852	173,985	237,837	221,993
Subtotal	440,714	185,120	625,834	591,146
Sponsorship	6,000	-	6,000	2,000
	446,714	185,120	631,834	593,146
<i>Total 2017</i>	413,182	179,965	593,147	

7. INVESTMENT INCOME

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Income from listed investments	43,588	-	43,588	56,451
	43,588	-	43,588	56,451
<i>Total 2017</i>	56,451	-	56,451	

CHILDREN'S HEART SURGERY FUND
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

8. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Activities undertaken directly	Grant funding of activities	Support costs	Total	Total 2017 (As restated)
	2018 £	2018 £	2018 £	2018 £	£
Grant for Eckersley House	-	-	-	-	29,999
Equipment grants	-	291,848	-	291,848	161,799
Family grants	-	16,867	-	16,867	15,951
Course attendance/ training grants	-	12,593	-	12,593	7,286
Other grants	-	128,856	-	128,856	1,980,590
Media & communications costs	60,152	-	-	60,152	31,263
Support costs	-	-	311,034	311,034	202,386
Total 2018	60,152	450,164	311,034	821,350	2,429,274
<i>Total 2017</i>	<i>31,263</i>	<i>2,195,625</i>	<i>202,386</i>	<i>2,429,274</i>	

9. ANALYSIS OF GRANTS

	Grants 2018 £	Total 2018 £	Total 2017 £
Grant for Eckersley House	-	-	29,999
Equipment grants	291,848	291,848	161,799
Family grants	16,867	16,867	15,951
Course attendance/ training grants	12,593	12,593	7,286
Other grants	128,856	128,856	1,980,590
	450,164	450,164	2,195,625
<i>Total 2017</i>	<i>2,195,625</i>	<i>2,195,625</i>	

CHILDREN'S HEART SURGERY FUND
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

10. GOVERNANCE COSTS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Governance Auditors' remuneration	2,500	-	2,500	2,500
Governance - Trustees expenses reimbursed	662	-	662	62
Trustees professional indemnity	388	-	388	361
	<u>3,550</u>	<u>-</u>	<u>3,550</u>	<u>2,923</u>

11. SUPPORT COSTS

	Support costs £	Total 2018 £	Total 2017 (As restated) £
Wages & salaries	112,656	112,656	84,145
Employers NIC	9,758	9,758	7,622
Pension costs	18,404	18,404	8,986
Repairs & maintenance	2,344	2,344	59
Insurance	1,334	1,334	1,188
Motor vehicle expenses	6,371	6,371	6,980
Accountancy fees	1,550	1,550	2,000
Printing, postage, stationery & advertising	9,398	9,398	6,298
Amortisation	44	44	22
Depreciation	12,585	12,585	4,279
General expenses	26,190	26,190	22,880
Bank charges	668	668	740
Employee benefit	15,914	15,914	15,806
Premises Expenses	12,308	12,308	-
Recruitment	28,773	28,773	19,164
Travel & subsistence	2,182	2,182	1,408
Legal & professional fees	26,543	26,543	13,758
Profit/loss on sale of fixed assets	-	-	(3,742)
Online funds processing fees	11,940	11,940	10,793
Rent	12,072	12,072	-
	<u>311,034</u>	<u>311,034</u>	<u>202,386</u>
Total 2017 (As restated)		<u>202,386</u>	<u>202,386</u>

CHILDREN'S HEART SURGERY FUND
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

12. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2018 £	2017 £
Depreciation of tangible fixed assets:		
- owned by the charity	12,585	4,279
Amortisation of intangible fixed assets	44	44
Auditors' remuneration - audit	2,500	2,500
Profit/loss on sale of fixed assets	-	(3,404)
	<u>12,585</u>	<u>4,279</u>

During the year, no Trustees received any remuneration (2017 - £NIL).

During the year, no Trustees received any benefits in kind (2017 - £NIL).

13. STAFF COSTS

Staff costs were as follows:

	2018 £	2017 £
Wages and salaries	281,020	205,839
Social security costs	21,750	14,951
Other pension costs	27,726	14,908
	<u>330,496</u>	<u>235,698</u>
Total	<u>330,496</u>	<u>235,698</u>

The average number of persons employed by the company during the year was as follows:

	2018 £	2017 £
Total	11	8

Average headcount expressed as a full time equivalent

	2018 £	2017 £
Administration	3	3
Fundraising & Marketing	5	5
	<u>8</u>	<u>8</u>

No employee received remuneration amounting to more than £60,000 in either year.

CHILDREN'S HEART SURGERY FUND
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

14. INTANGIBLE FIXED ASSETS

	Katie Bear trademark £	Trademarks £	Total £
Cost			
At 1 January 2018 and 31 December 2018	220	220	440
Amortisation			
At 1 January 2018	26	26	52
Charge for the year	21	22	43
At 31 December 2018	47	48	95
Carrying amount			
At 31 December 2018	173	172	345
At 31 December 2017	194	194	388

15. TANGIBLE FIXED ASSETS

	Fixtures and fittings £	Equipment £	Total £
Cost			
At 1 January 2018	1,542	25,190	26,732
Additions	46,852	21,145	67,997
At 31 December 2018	48,394	46,335	94,729
Depreciation			
At 1 January 2018	1,542	15,924	17,466
Charge for the year	7,138	5,447	12,585
At 31 December 2018	8,680	21,371	30,051
Net book value			
At 31 December 2018	39,714	24,964	64,678
At 31 December 2017	-	9,266	9,266

CHILDREN'S HEART SURGERY FUND
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

16. FIXED ASSET INVESTMENTS

	Listed securities £	Other investments £	Total £
Market value			
At 1 January 2018	1,859,514	733,236	2,592,750
Additions	59,251	-	59,251
Disposals	(1,183,763)	(560,538)	(1,744,301)
Change in market value	(101,570)	(14,032)	(115,602)
Cash at bank movements	-	1,008,336	1,008,336
	<u>633,432</u>	<u>1,167,002</u>	<u>1,800,434</u>
At 31 December 2018	<u>633,432</u>	<u>1,167,002</u>	<u>1,800,434</u>

Investments at market value comprise:

	Unrestricted Funds £	Restricted Funds £	2018 £	2017 £
Listed investments				
UK quoted fixed interest securities	263,869	-	263,869	927,625
UK equities	151,954	-	151,954	346,217
Overseas equities	217,609	-	217,609	585,673
	<u>633,432</u>	<u>-</u>	<u>633,432</u>	<u>1,859,515</u>
Other investments				
Other UK investments	109,381	-	109,381	683,952
UK cash held as part of portfolio	1,057,621	-	1,057,621	49,283
	<u>1,167,002</u>	<u>-</u>	<u>1,167,002</u>	<u>733,235</u>
Total	<u>1,800,434</u>	<u>-</u>	<u>1,800,434</u>	<u>2,592,750</u>

17. DEBTORS

	2018 £	2017 £
Other debtors	-	2,892
Prepayments and accrued income	34,558	11,695
	<u>34,558</u>	<u>14,587</u>

CHILDREN'S HEART SURGERY FUND
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

18. CREDITORS: Amounts falling due within one year

	2018 £	2017 £
Other creditors	1,392,798	2,027,953
Accruals and deferred income	20,834	12,466
	<u>1,413,632</u>	<u>2,040,419</u>

Included within other creditors is an amount of £1,052,000 (2017:£1,750,000) relating to the Hybrid Theatre project that had been committed to at the year end.

CHILDREN'S HEART SURGERY FUND
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

19. STATEMENT OF FUNDS

STATEMENT OF FUNDS - CURRENT YEAR

	Balance at 1 January 2018 £	Incoming Resources £	Expenditure £	Gains/ (Losses) £	Balance at 31 December 2018 £
Unrestricted funds					
General Funds	989,931	752,144	(752,116)	(115,524)	874,435
Restricted funds					
Refurb of Adult Cardiology day area	5,309	-	(5,309)	-	-
Keeping the beat	(19,230)	20,518	(1,288)	-	-
TOE Cabinets	1,500	-	(1,500)	-	-
Relatives room	120	-	(120)	-	-
Ambient experience	8,000	-	(8,000)	-	-
Haemodynamic & Electrophysiology recording system	50,000	-	(50,000)	-	-
Make some noise	-	74,820	(68,840)	-	5,980
INR kits	-	10,097	(1,197)	-	8,900
Kardia mobile devices	-	4,500	(4,500)	-	-
Admin Salary: psychology team	-	5,000	(5,000)	-	-
Veinviewer	-	5,500	(5,500)	-	-
Vapotherm	-	3,500	(3,500)	-	-
Interactive floor	-	2,000	(2,000)	-	-
Hybrid theatre	-	166,591	(166,591)	-	-
Katie bears	-	500	(500)	-	-
Distraction equipment for 2nd meeting room	-	2,000	(2,000)	-	-
Incubators	-	7,000	(7,000)	-	-
Fish tank, bears, stickers	-	1,735	(1,735)	-	-
Lottery proceeds	-	599	(599)	-	-
Equipment	-	1,619	-	-	1,619
	45,699	305,979	(335,179)	-	16,499
Total of funds	1,035,630	1,058,123	(1,087,295)	(115,524)	890,934

CHILDREN'S HEART SURGERY FUND
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

19. STATEMENT OF FUNDS (continued)

STATEMENT OF FUNDS - PRIOR YEAR

	<i>Balance at 1 January 2017 £</i>	<i>Incoming Resources £</i>	<i>Expenditure £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 December 2017 £</i>
Designated funds					
Hybrid theatre	1,250,000	-	(1,250,000)	-	-
General funds					
General funds	1,177,897	560,670	(856,483)	107,847	989,931
Total Unrestricted funds	2,427,897	560,670	(2,106,483)	107,847	989,931
Restricted funds					
INR machine	-	8,838	(8,838)	-	-
Refurb of Adult Cardiology day area	5,309	-	-	-	5,309
Reindeer food	-	296	(296)	-	-
Playroom equipment	-	80	(80)	-	-
Keeping the beat	252,774	227,996	(500,000)	-	(19,230)
DVD Players for ward L51	-	300	(300)	-	-
Storybook	-	2,000	(2,000)	-	-
Adult congenital patients	-	145	(145)	-	-
TOE Cabinets	-	1,500	-	-	1,500
Rocking Horse Renovation	-	161	(161)	-	-
ECMO	-	1,500	(1,500)	-	-
Relatives room	-	120	-	-	120
Ambient experience	-	8,000	-	-	8,000
Haemodynamic & Electrophysiology recording system	-	50,000	-	-	50,000
Family travel grants	-	2,002	(2,002)	-	-
	258,083	302,938	(515,322)	-	45,699
Total of funds	2,685,980	863,608	(2,621,805)	107,847	1,035,630

CHILDREN'S HEART SURGERY FUND
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

SUMMARY OF FUNDS - CURRENT YEAR

	Balance at 1 January 2018 £	Incoming Resources £	Expenditure £	Gains/ (Losses) £	Balance at 31 December 2018 £
General funds	989,931	752,144	(752,116)	(115,524)	874,435
	<u>989,931</u>	<u>752,144</u>	<u>(752,116)</u>	<u>(115,524)</u>	<u>874,435</u>
Restricted funds	45,699	305,979	(335,179)	-	16,499
	<u>1,035,630</u>	<u>1,058,123</u>	<u>(1,087,295)</u>	<u>(115,524)</u>	<u>890,934</u>

SUMMARY OF FUNDS - PRIOR YEAR

	Balance at 1 January 2017 £	Incoming Resources £	Expenditure £	Gains/ (Losses) £	Balance at 31 December 2017 £
Designated funds	1,250,000	-	(1,250,000)	-	-
General funds	1,177,897	560,670	(856,483)	107,847	989,931
	<u>2,427,897</u>	<u>560,670</u>	<u>(2,106,483)</u>	<u>107,847</u>	<u>989,931</u>
Restricted funds	258,083	302,938	(515,322)	-	45,699
	<u>2,685,980</u>	<u>863,608</u>	<u>(2,621,805)</u>	<u>107,847</u>	<u>1,035,630</u>

20. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £
Intangible fixed assets	345	-	345
Tangible fixed assets	64,678	-	64,678
Fixed asset investments	1,800,434	-	1,800,434
Current assets	422,610	16,499	439,109
Creditors due within one year	(1,413,632)	-	(1,413,632)
	<u>874,435</u>	<u>16,499</u>	<u>890,934</u>

CHILDREN'S HEART SURGERY FUND
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

20. ANALYSIS OF NET ASSETS BETWEEN FUNDS (continued)

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	<i>Unrestricted funds 2017</i>	<i>Restricted funds 2017</i>	<i>Total funds 2017</i>
	£	£	£
Intangible fixed assets	388	-	388
Tangible fixed assets	9,267	-	9,266
Fixed asset investments	2,592,750	-	2,592,750
Current assets	427,944	45,699	473,645
Creditors due within one year	(2,040,418)	-	(2,040,419)
	<u>989,931</u>	<u>45,699</u>	<u>1,035,630</u>

21. OPERATING LEASE COMMITMENTS

At 31 December 2018 the total of the charity's future minimum lease payments under non-cancellable operating leases was:

	2018	2017
	£	£
Amounts payable:		
Within 1 year	22,511	3,652
Between 1 and 5 years	70,421	6,424
After more than 5 years	45,186	-
Total	<u>138,118</u>	<u>10,076</u>

22. RELATED PARTY TRANSACTIONS

The charity is under the control of the Trustees as set out on page 1 of the Trustees' Annual Report.

Included within salary costs is an amount of £145,638 (2017: £108,468) which was paid to key management as remuneration.

There were no other transactions with any related parties during the current year.

23. PRIOR YEAR ADJUSTMENT

The 2017 figures have been restated due to the reallocation of Fundraising and Marketing salaries from support costs to fundraising activities.

CHILDREN'S HEART SURGERY FUND
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

24. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2018 £	2017 £
Net expenditure for the year (as per Statement of Financial Activities)	(144,696)	(1,650,350)
Adjustment for:		
Depreciation charges	12,629	4,323
Gains/(losses) on investments	115,524	(107,847)
Dividends, interest and rents from investments	(43,588)	(56,451)
Profit on the sale of fixed assets	-	(3,742)
Increase in debtors	(19,971)	(11,134)
(Decrease)/increase in creditors	(626,787)	1,913,590
Net cash (used in)/provided by operating activities	(706,889)	88,389

25. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2018 £	2017 £
Cash in hand	404,551	459,058
Total	404,551	459,058