

**Rays of Sunshine**

**Annual Report and Financial  
Statements**

Period from 1 January 2021 to 30  
June 2022

Charity Registration Number  
1102529

Company Limited by Guarantee  
Registration Number  
04860607 (England and Wales)

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## **Board of Trustees Annual Report**

The Board of Trustees presents its report and audited financial statement for the period 1 January 2021 to 30 June 2022.

### **Reference and Administrative Information:**

- Charity name: Rays of Sunshine
- Charity registration number: 1102529
- Company Limited by Guarantee. Registration Number: 04860607
- Operational address: 4<sup>th</sup> Floor, Berkeley House, 304 Regents Park Road, London, N3 2SY

### **Board of Trustees:**

Mr Stephen Allan (Chair)  
Mr Justin Randall FCA (Treasurer)  
Mr Daniel Coleman  
Mr Divyesh Popat  
Mrs Jane Sharpe

**Chief Executive Officer:** Dr Michele Afif BSc MBBS FRCPCH MSc MA (Med Law) MRCPATH (ME)

**Auditor:** Buzzacott LLP, 130 Wood Street, London, EC2V 6DL

**Bankers:** Barclays Bank plc, 27 Soho Square, London, W1D 3QR

**Solicitors:** Ingram Winter Green LLP, Bedford House, 21A John Street, London WC1N 2BF

## **Structure, Governance and Management**

### **Governing Document:**

Rays of Sunshine is incorporated as a charitable company limited by guarantee (charity number 1102529, company number 04860607). It is governed by its Memorandum and Articles of Association, as amended by a special and a written resolution dated 16 May 2011.

The Trustees are also the directors for the purpose of company law.

All Trustees give their time voluntarily and receive no benefits from the charity.

### **Organisational structure**

Rays of Sunshine's Articles of Association provide for a minimum of four and a maximum of 15 Trustees. The Board of Trustees meet on a quarterly basis and takes overall responsibility for the strategic direction and policy of the charity.

A scheme of delegation is in place such that responsibility for the provision of the charity's day to day operational activities, charitable services, execution of the strategic plan and supervision of the Senior Management Team (SMT) rests with the CEO.

The CEO is supported in these duties by the SMT, working also with relevant support and oversight committees including (but not limited to) the Executive Board, the Administration and Finance Committee and the Risk Committee. The CEO attends all Trustee and Executive Board meetings.

### **Trustee recruitment, appointment induction and training:**

Where there is a requirement for new Trustees, these are recruited and appointed by the existing Trustees, who undertake this duty with due regard for the skills, experience and knowledge necessary to support existing Trustees in discharging their obligations.

New Trustees are invited to familiarise themselves with the charity and the context within which it operates by way of visiting the operational premises and meeting key internal and external stakeholders. Induction is jointly led by the Chair of the board of Trustees and the Chief Executive Officer (CEO) and covers:

- Trustee obligations - drawn from various Charity Commission publications
- The main documents which set out the charity's operational framework, including the Memorandum and Articles and key policies and plans
- The charity's financial position as set out in the published accounts
- The charity's progress against goals and objectives as set out in CEO board reports and the associated minutes and future plans.

### **Committees and related parties:**

#### *The Executive Board:*

Comprising of charity founders, industry experts and long-standing supporters, the Executive Board provides an additional means by which the Board of Trustees and the CEO access valuable advice, fundraising support and additional oversight of the charity's progress and performance. Meetings are held bi-monthly. Members during the period were:

- Mr Richard Burston (Chair)
- Mr Stephen Allan
- Mrs Hayley Allan
- Mr Tim Allan
- Mrs Nina Bradburn (until November 2021)
- Mr Marc Boyan (until January 2022)
- Mr Grant Fox
- Mr David Saul
- Mr Mark Shipman
- Mr Jonathan Vandermolen

#### *The Administration and Finance Committee:*

Comprising of members drawn from the Board of Trustees, the Executive Board and finance industry professionals, the Administration and Finance Committee is responsible for reviewing the charity's financial position and advising the Board of Trustees on the implementation of financial strategies on the charity's behalf. Quarterly meetings, chaired by the Treasurer and attended by the CEO and the Head of Finance, are held in advance of Board of Trustee meetings.

Members are:

- Mr Justin Randall (Chair and Treasurer)
- Dr Michele Afif (CEO)
- Mr Richard Burston
- Mr Grant Fox
- Ms Samantha Cohen (Finance)
- Mr Simon Rusk
- Mr David Saul
- Mrs Jane Sharpe

#### *The Risk Committee and Risk Management:*

Established as a separate advisory group in September 2021, chaired by Mr Divyesh Popat (Trustee) and supported by a volunteer industry expert (Mr James Martin), the committee is responsible for the development and active monitoring of the charity's risk register, reporting quarterly to the Board of Trustees.

#### *Medical Advisers:*

All the medical advisers to the charity are GMC registered practicing Consultant Paediatricians, who provide their advice and support entirely voluntarily. Drawn from across a wide range of subspecialties, including neurodisability, cardiology, gastroenterology & oncology, their combined experience enables them to advise the charity on the wide range of conditions that may fall within the charity's mission.

The medical advisers also support the wish team in determining whether applicants meet the medical eligibility criteria, where necessary attending (weekly) wish meetings to assess and advise on more complex cases. During the period, the medical advisers were:

- Dr Michele Afif (until September 2021)
- Dr Warren Hyer
- Dr Matthew Fenton
- Dr Ruby Schwartz (retired March 2022)
- Dr Kerry Robinson (joined March 2022)
- Dr Nick Barnes (joined September 2021)

### *Other Advisory Panels:*

Rays of Sunshine regularly consults with wish children, their parents/carers, hospital play specialists and nursing and medical experts about the services and activities we provide. The charity uses these insights to ensure the services delivered truly meet the needs of seriously and terminally ill children.

### Principal Risks

The Board has conducted a review of the major risks to which the charity is exposed, where appropriate establishing or strengthening systems to mitigate the risks identified.

The risk register covers:

- Leadership and culture
- Strategy and planning
- Staffing and organisational memory
- Services – quality, type and delivery
- Safeguarding
- Governance, regulatory and compliance risks
- Financial risks
- Operational risks
- Information governance, IT security and business continuity

Key risk surveillance, review and mitigation inform the charity's strategic plan; the core driver during the period being that of navigating through the final months of the pandemic and into the new normal of the post-pandemic world such that changes to beneficiary needs are fully understood and remain at the very heart of service provision and planning, and effective fundraising continues uninterrupted.

The actions taken to address the main risks during the period have been:

- Actively attending to the losses associated with high rates of (pandemic related) staff turnover – rebuilding organisational memory through the recruitment and retention of a talented and diverse operational team with the enthusiasm, capacity and capability to deliver high quality services.
- Actively reviewing and improving our safeguarding obligations by way of policy development, enhanced staff, Trustee and volunteer training and the recruitment of a highly skilled designated board appointment.
- Identifying and responding to changes to our beneficiaries' needs following the pandemic and, from this, adapting and updating services to enable agility and flexibility across a range of platforms according to beneficiary need. This includes taking steps to honour all 'on hold' overseas travel wishes in line with changes to international travel restrictions and beneficiary vulnerability.

- Strengthening organisational resilience to shocks and harms by improving internal governance and protections, including data and cyber security.
- Adopting innovative approaches to meeting income targets despite significant and challenging changes to the fundraising landscape, including through the use of online individual giving platforms such as Charity Extra and high profile international events such as our Art Auction.

Internal procedures are in place to ensure compliance with the health and safety of staff, beneficiaries and volunteers. These are periodically reviewed to ensure they a consistent and high quality service with the child at its core as well as continuing to meet the wider needs of the charity.

### Objectives and Activities:

#### **Mission**

The charity's mission is to relieve the suffering of children and young people who have illnesses or disabilities causing limited life expectancy or who suffer from long-term physical or mental disabilities (including learning disabilities). There have been no changes to the charity's mission over the years.

#### **Core Activities:**

Based solely in the four nations of the United Kingdom, Rays of Sunshine works tirelessly to deliver on this core purpose by:

- Fulfilling magical wish requests from children aged between three and eighteen who are living with, or have suffered from, very serious, life threatening, life-limiting or life-changing illnesses and conditions.
- Always seeking to fulfil these wishes in ways that enable the child's loved ones to be part of the process, thereby creating a deeply meaningful and shared experience for whole families, which they can treasure forever.
- Keeping our wish children and their families in mind by holding large and small-scale remote and in-person special events and activities throughout the year.
- Supporting seriously ill children in hospitals and hospices through:
  - Fulfilling 'ward wishes' and 'ward grants' to enable the creation of beautiful, soothing, entertaining or distracting spaces for our children to use and enjoy.
  - The provision of specialist play-equipment, tailored to specific sensory needs, to soothe and distract those children who are undergoing stressful or painful procedures.
  - Delivering wonderful remote and in-person hospital and hospice activity days throughout the UK.

## Strategy

To support these core objectives and ensure they are deliverable and effective, particularly as the charity meets the challenges arising from the pandemic and its aftermath, we have pursued a strategy which:

- Focuses on the quality of the wish granting program; ensuring each child is at the very heart of the process and expectations are not just met, but exceeded.
- Increases team capacity and training to ensure wish numbers continue to rise and unnecessary waiting times eradicated
- Prioritises and supports the development of an agile in-house team who are experts at working across remote and in-person platforms and are 'future fit' - able to deliver on all wish types, irrespective of pandemic restrictions, without compromising on quality and skilled communications with families and children under difficult circumstances.
- Delivers against our pre-pandemic international travel commitments.
- Builds engagement with key clinical staff, including hospital and hospice teams, to make sure we keep delivering what the children need in these settings, attract applications and continue to provide a sensitive and rapid response to urgent 'rush' wishes in the critically or terminally unwell.
- Attends to organisational resilience, sustainability, effectiveness, memory and culture and the protection of staff and beneficiaries, through the active strengthening of internal processes and governance systems.
- Continues to build a sustainable and diversified income stream.
- Builds our profile and visibility across a range of platforms.

## Public Benefit

The Trustees confirm they have complied with the requirement in Section 17 of the Charities Act 2011 to have due regard to public benefit in determining the activities undertaken by the charity.

Our services are available to any seriously ill child aged who is aged over three and resident in the UK.

Rays of Sunshine never loses sight of how hard it can be for children who have been diagnosed with a serious, life-threatening or terminal illness and believe the work we do is vital to giving these children something uplifting, exciting and magical to look forward to - and look back on - during difficult times, which is not solely about being unwell.

We believe that our approach, in being about joy, distraction, making long-term connections, including whole families into planned activities and thinking about a child's needs when in hospital, can be truly transformative in the relief of anxiety, suffering and isolation in this group and thus of great public benefit.



## Achievements and Performance

As for so many charities, the 18 months between 1 January 2021 and 30 June 2022, capturing as it did fluctuating lockdown restrictions, vaccination rollouts, international travel and differing approaches across the four home nations to full freedoms, was perhaps as challenging a period as the height of the pandemic itself.

Whilst successful navigation through so much change was a prerequisite to survival and business continuity, it has from the outset been our specific recognition of the disproportionate impact of the pandemic on those with serious illness, which has acted as the fundamental motivating force for the Rays of Sunshine team - enabling us to deliver on our mission to relieve suffering in those often already experiencing a profound sense of loss, fear, separation and isolation even before 'shielding' amplified that burden.

Rays of Sunshine listens to its beneficiaries and to those who are closest to them, including healthcare professionals, so that we can better understand where we can have the most impact to the children we serve.

We exist to find joyful and meaningful ways to relieve suffering in those who are seriously ill in as many ways we can, through even the most difficult of times. And our children repeatedly tell us the true meaning of a wish granted and the way the other services we provide help and support them; so much more than merely a gift, an activity or an outing, our services combine to give children genuine moments of joy, letting them and their families know that they are not forgotten, alone or isolated, that 'normal' (non-illness related) experiences are still possible (even if sometimes this takes a bit of magic to achieve) and that hospitals can be places of comfort instead of fear or pain.

We have consciously expanded this work across a range of settings to create a deep sense of connection and community for our children and their families. In turn we always hope that they draw comfort from knowing they have been actively held in mind by our generous donors and tireless supporters.

### **Services:**

#### 1. The wish programme:

Granting wishes which allow a child and their family to have a magical moment in time away from all the trappings, worries and pressures associated with ill-health, remains the core service at Rays of Sunshine.

Despite a temporarily paused overseas travel programme, Rays of Sunshine never ceased in its work, granting almost 600 wishes during the period, including a landmark 8,000<sup>th</sup> wish in April 2022 and 50 'rush' wishes, for terminally ill children.

And whilst there were pandemic-related changes to the types of wishes sought, with almost 70% of the most seriously ill favouring 'to have' wishes during 2021 (iPads and computers often a lifeline to an outside world otherwise deemed too dangerous or frightening to enter in person whilst shielding) over temporarily unavailable travel or celebrity wish requests, patterns have changed hand in hand with the easing of restrictions, with almost 50% seeking experience wishes in the first 6 months of 2022. Irrespective of wish type, and mindful that often the sickest children are those who wish for an item more than an experience, our team constantly seeks ways to enhance wishes, so that they become truly magical.

As pandemic restrictions fade, even for the most vulnerable, we are proud to finally be able to make good our commitment to the 68 families whose travel plans were so cruelly interrupted in March 2020, rebooking these long promised magical trips abroad for 2022 and 2023 as well as resuming the full breadth of our 'experience', domestic travel and real life celebrity wish programme.

Throughout, wish quality has remained key; the establishment of an almost completely new, re-invigorated, fully trained but still lean wish team enabling Rays of Sunshine to fully connect with children and their families, directly steward more wishes than ever and, as a result, deliver a start to finish, tailored 'child at the centre' approach. The establishment of regular, wish quality review meetings, where the whole team can share learning, further embedding this child centred, high quality approach.

Wish granters are actively supported in their ability to communicate with families in distress through a programme of regular communication skills training (delivered by Child Bereavement UK) and access to team specific psychological support. Anonymous feedback survey results (April to September 2022), combined with spontaneous contacts from wish families confirm the deep impact a realised wish can have on a child and their family. Pre-application, words like 'scared', 'lonely', 'sad' and 'want to spend time with family' were used by parents to describe their child's state of mind; shifting to 'happy', 'excited' and 'relaxed' in response to the wish experience with families particularly valuing the direct personal involvement of a named wish granter.

## 2. Building a wish community – shared events, activities and choir

Keeping in touch with our wish children and their families by way of joyful activities and events and from this, creating a Rays of Sunshine community where each child might form deep and lasting friendships, has long been an important Rays of Sunshine goal.

During lockdowns, the team was agile in their move to an online format in the form of our Sunshine Hub, which not only enabled us to reach more than 500 children through the delivery of 31 virtual events, but also continued with a parallel – and now fully restarted - in-person programme including arranging another fabulous Ferrari Day, our (hybrid) celebratory '12 days of Christmas', 'Milly Days' out for more than 25 families and a thrilling, exclusive outing to Hamley's in London with the fantastic Sidemen.

Our Rays of Sunshine choir also grew despite limitations to in-person meeting, with 15 children regularly joining a programme of online rehearsals and in-person choir events and performances, including memorable moments meeting Pixie Lott at the Fragrance Shop's 'World Smile Day' celebration and recording a Christmas video version of 'If I was a Toy' to mark the start of our Smyths Toys partnership. Our children and their families tell us how important choir is as a place of joy and support, borne of a shared experience yet not about illness or hospitals, where deep and lasting friendships form.

### 3. Supporting seriously ill children in hospitals and hospices

#### Support equipment, ward wishes and ward grants:

Acutely aware of how difficult an experience it can be for a seriously ill child to leave the comfort and safety of home for a stay in hospital or a hospice, however brief, Rays of Sunshine continues to provide support in these settings by way of:

- Sending out more than 350 re-usable 'sensory bags' and – thanks to our partnership with Smyths Toys – imaginative 'fidget box' sets, to children's units across the UK. Specifically designed to meet the needs of any child in hospital, including those with additional, atypical and special needs, these 'grab bags' of equipment are used by staff to distract, reassure, calm and entertain children, helping to relieve the loneliness associated with inpatient stays and the fear which accompanies painful treatment related procedures.
- Our ward wish programme - creating magical spaces in ward settings by building dedicated sensory rooms and beautiful sensory gardens. Despite the constraints of the pandemic, Rays of Sunshine has enabled ten completed builds, with a further three due to finish in the coming year.
- Launching a landmark grant programme. Rays of Sunshine awarded its first £20,000 annual grant to Sheffield Children's Hospital Haematology and Oncology unit for the creation of an astonishing Augmented Reality room, which uses state of the art immersive technology to enable clinically vulnerable children to 'visit' longed-for spaces and places – including home – without leaving the ward.
- Creating National Teddy Bear Day, during which – with the help of volunteers from our partners at Lockton's – we made and distributed more than 3,200 cuddly bears in bags for children in more than 22 hospitals and hospices across the UK.

#### Hospital Activity Days:

Whilst, for the majority of the period, Rays of Sunshine remained able to deliver a remote version of our longstanding Hospitals and Hospice Activity Days (HADs) – hosting more than 30 HADs to 21 units across the UK for more than 1,000 children during 2021, a full return to pre-pandemic in-person HAD levels has not automatically followed the lifting of restrictions in 2022.

Reasons have been multifactorial, including (but not limited to) heavily reduced in-person access to those units caring for the most vulnerable children, massive inpatient unit staff turnover and change, particularly affecting our play specialist partners and high post-pandemic turnover at Rays of Sunshine with consequent effect on service capacity.

As such in-person HADs were paused in January 2022 pending a full review of the simultaneous changes known to have affected the overall landscape in this sector, although the team continues to build connections across the UK in order to maintain visibility and encourage wish applications.

## Fundraising

We are only able to make a difference for hundreds of seriously ill children and their families thanks to the generous support of our donors and fundraisers. We don't receive government funding which makes every gift in aid of our work all the more precious.

The majority of our income comes from special events, major donors/Patrons, and corporate partnerships with additional income streams from challenge/community fundraising and individual donations.

Following a substantial income drop in 2020 - due to the pandemic and lockdowns – this financial period shows significant recovery thanks in large part to Trustees and the Executive Committee. Their efforts resulted in a 164% increase on the previous period, bringing financial surety to Rays of Sunshine when it was needed most.

Key activities included:

- Charity Extra March 2021: Chair of Trustees, Stephen Allan, led our first individual giving appeal of its kind; galvanising our Patrons, corporate supporters and key stakeholders to match fund a 36-hour peer-to-peer campaign. Our grateful thanks to committed supporters far and wide who stepped up in aid of the charity, breaking through an already ambitious £1.3m target.
- An art auction led by Chair of the Executive Committee, Richard Burston, and hosted at Christie's auction house. With beautiful art pieces attracting serious collectors, the event raised a record-breaking £2m. Our deepest gratitude to every artist and gallery who donated the art which made the auction – this event simply would not have been possible without you.
- We were delighted to continue our partnerships with Clintons, Bacta and The Fragrance Shop and welcome Lockton's and Smyths Toys to our corporate community. Despite the impact of the pandemic on the retail and leisure sector, we were delighted to raise over £435,000 with our generous partners.
- For many, the return of our annual Golf Day symbolised the end of the pandemic. Hosted by Stephen Allan, we welcomed business leaders to Coombe Hill Club for the first time in three years. The event was a record-breaking success raising over £70,000 thanks to prizes and support from Gary Player, John Terry, Gianfranco Zola and Eddie Rom, as well as the teams themselves.
- The Wentworth Golf Club Gala Dinner 2021; a fundraiser like no other, we were thrilled to be (former) club captain Eddie Rom's nominated charity, from which we received a hugely generous £57,000 in donations.

During this period we also took the opportunity to rebuild and reshape the fundraising & communications directorate and to develop a three-year sustainable growth strategy. This strategy focuses on bringing our communications function in-house to increase our profile, and diversifying and expanding our income streams.

We are grateful to every one of our Patrons, partners, individual supporters, Trustees and Executive Committee whose continued commitment to brightening the lives of seriously ill children fuels the charity and inspires the team. Thank you.

## **Organisational resilience:**

As for many other organisations around the country, the full impact of the pandemic on individuals, teams, work-life balance and wellbeing was profound and necessitated time for recovery. Disruptively high churn, including at senior management level, led to a period of low overall staff numbers from which the charity had to recover. The knock-on impact on capacity, capability, retention and staff wellbeing were rapidly identified as major risks to the successful resumption of all our activities to pre-pandemic numbers and quality – the consequent loss of shared organisational knowledge across all domains (services, finance and fundraising) being the most significant challenge to overcome.

Focusing on recruitment whilst also supporting our team by actively attending to their welfare, training and development alongside in tandem with a programme to strengthen governance and infrastructure has been crucial to a successful recovery. Our 2021 staff survey results highlighted a need which was not overlooked - the 2022 results, with more than 93% of a now fully re-established team reporting high morale and deep satisfaction in post, reflecting hard and consistent work in this domain.

Rays of Sunshine is proud to showcase a committed, motivated skilled team, united by shared values and future fit; functioning within a sustainable and resilient organisational structure.

## **Financial Review**

Our fundraising program of community, challenge and special events resumed fully from late 2021, with the Art Auction generating in excess of £2m.

This meant that in the 18 month period to 30 June 2022, our total income was £4,317,909 (year to 31 December 2020: £1,490,471), including fundraising and donations-in-kind. We invested £641,195 in raising this income (year to 31 December 2020: £526,399) and spent £2,089,441 on charitable activities (year to 31 December 2020: £1,132,756), resulting in a surplus of £1,587,273 (year to 31 December 2020: £168,684 deficit) for the period.

Our total expenditure in the period ended 30 June 2022 was £2,730,636, which is an increase of 65% compared to the year ended 31 December 2020 (£1,659,155). This reflects a return to full income generating activities, the resumption of a fully stewarded wish and beneficiary events program, the delivery of international travel wishes delayed due to the pandemic and the concomitant rise in staffing and recruitment costs.

In the period ended 30 June 2022, 77% of our total expenditure was on charitable activities, as compared to 68% in the year ended 31 December 2020.

## **Reserves policy:**

At the balance sheet date of 30 June 2022 the total reserves were £5,136,730 (31 December 2020: £3,549,457) of which £5,060,526 (31 December 2020: £3,447,366) were unrestricted funds and £76,204 (31 December 2020: £102,091) were restricted funds (see note 14).

Our policy has been to maintain 6 to 12 months of budgeted expenditure in order to ensure that we are always able to fulfil wishes, both committed and planned, in the event of a significant decline in our income probably as a result of a macro-economic event such as that experienced in 2008 and again in 2020. As the Covid pandemic also required us to stop granting new overseas travel wishes this meant that our planned expenditure reduced significantly as well.

Combined with continued high levels of income, the outcome has been the continuation of a reserves level sufficient to cover 19 months of normal expenditure as at 30 June 2022. The Trustees are comfortable with a reserves level at the upper end of expectations; this position of relative financial strength enables a final full return to pre-pandemic activity levels and although this is above our normal level of cover we believe this is appropriate for the current uncertain economic climate and would expect the cover to normalise in the medium term.

#### Reserves Cover:

	<b>Period ended 30 June 2022</b>	Year to 31 December 2020
	£	£
Free reserves	<b>5,035,168</b>	3,411,679
Next year's budgeted expenditure	<b>3,184,842</b>	2,560,589
Months' cover	<b>19</b>	15

By 30 June 2022, our total net assets were £5,136,730. Of this, our free reserves were £5,035,168, comprising of unrestricted funds (excluding fixed assets). This figure has taken into account our commitment towards wishes approved but not yet granted where we make a full provision of all anticipated costs still to be incurred.

#### Investment Policy:

The Trustees have the power to invest in funds as they deem appropriate. The Trustees' investment decision during the period was to hold surplus cash in easily accessible bank accounts with Barclays Bank and Close Brothers.

The investment policy is reviewed every 6 months by a sub-committee of the Trustee/Executive Board who report into the Trustees. The policy reflects the Trustees decision to hold reserves in such a manner to achieve minimum risk/capital preservation and liquidity to meet the Charity's obligations as and when they fall due.

#### Fundraising Communication:

The charity is registered with the Fundraising Regulator and is committed to our fundraising being legal, open, honest, respectful, and meeting the standards set in the Fundraising Code of Practice. We communicate with our supporters through a variation of emails, direct mailings and telephone calls. We also ensure that nobody who appears to be vulnerable is asked to commit to giving.

Our values and heritage are strongly based on relationship-driven fundraising rather than high-volume mass funding and we continue to be committed to our relationship-focused approach for income generation and growth.

Most of our fundraising is managed by our staff with the support of our Executive Board members and volunteers. We do not employ any professional fundraising organisations.

## **Communication and Complaints:**

Rays of Sunshine logs all feedback, whether positive or negative, actively adopting a learning approach to strengthen systems and improve performance. Incidents – including safeguarding incidents - and complaints are regularly reviewed in accordance with relevant policy documents.

Rays of Sunshine received three complaints during the period including one fundraising complaint. All were comprehensively investigated and closed with detailed responses to the complainants.

## **Equality, Diversity and Inclusion**

Rays of Sunshine is committed to equality of access to our services for all eligible children. Plans to overcome barriers to access, including those arising from language barriers, social deprivation and differing sensory needs, are in the process of being rolled out.

Rays of Sunshine actively uses recruitment and workplace policies and procedures to uphold our commitment to equality, diversity and inclusion.

## **Going Concern Assessment**

The charity's level of free reserves remain healthy, and the Board of Trustees are of the opinion that the charity remains a going concern for at least 12 months from the date of signing these financial statements. The Trustees anticipate that there will be a challenging fundraising landscape in the next few years. Future expenditure commitments are carefully considered in light of free reserves levels and the ongoing financial position of the charity.

## **Declarations**

### **Statement of Trustees' Responsibilities**

The Trustees, who are also the directors of Rays of Sunshine for the purpose of company law, are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the Trustees are required to:

- ◆ select suitable accounting policies and then apply them consistently;
- ◆ observe the methods and principles in the Charities SORP;
- ◆ make judgements and estimates that are reasonable and prudent;
- ◆ state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and

- ◆ prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.


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

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

### **Disclosure of Information to Auditors**

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

Signed on behalf of the Board of Trustees:



Chair of the Trustees

Approved on: 16 March 2023



## Independent auditor's report to the members of Rays of Sunshine

### **Opinion**

We have audited the financial statements of Rays of Sunshine (the 'charitable company') for the period ended 30 June 2022 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- ◆ give a true and fair view of the state of the charitable company's affairs as at 30 June 2022 and of its income and expenditure for the period then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- ◆ have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

### **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 auditor's 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 required to report that fact.

We have nothing to report in this regard.

### **Opinions on other matters prescribed by the Companies Act 2006**

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

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

### **Matters on which we are required to report by exception**

In the light of the 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
- ◆ 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.

## **Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement in the trustees' annual report, the trustees (who are also the directors 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.

## **Auditor's responsibilities for the audit of the financial statements**

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

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.

## ***How the audit was considered capable of detecting irregularities including fraud***

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- ◆ we identified the laws and regulations applicable to the charitable company through discussions with 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 company, including the Companies Act 2006;
- ◆ we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting correspondence; and
- ◆ we identified laws and regulations which were communicated within the audit team and the team remained alert to instances of non-compliance throughout the audit.

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

### ***How the audit was considered capable of detecting irregularities including fraud***

*(continued)*

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

- ◆ making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- ◆ considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- ◆ performed analytical procedures to identify any unusual or unexpected relationships;
- ◆ assessed whether judgements and assumptions made in determining the accounting estimates set out in the accounting policies were indicative of potential bias; and
- ◆ investigated the rationale behind significant or unusual transactions.

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

- ◆ agreeing financial statement disclosures to underlying supporting documentation;
- ◆ enquiring of management as to actual and potential litigation and claims.

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 financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### **Use of our report**

This report is made solely to the 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 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Shachi Blakemore (Senior Statutory Auditor)  
For and on behalf of Buzzacott LLP, Statutory Auditor  
130 Wood Street  
London  
EC2V 6DL

**Statement of Financial Activities**  
(including income and expenditure account)  
Period ended 30 June 2022

		Unrestricted funds £	Restricted funds £	Period ended 30 June 2022 Total funds £	Unrestricted funds £	Restricted funds £	Year to 31 December 2020 Total funds £
	Notes						
<b>Income from:</b>							
Donations and legacies	1	4,062,062	10,000	4,072,062	882,582	120,850	1,003,432
Gifts in kind	2	152,519	—	152,519	266,274	—	266,274
Other trading activities	3	87,949	—	87,949	93,139	—	93,139
Investments		2,963	—	2,963	10,653	—	10,653
Other income	8	2,416	—	2,416	116,973	—	116,973
<b>Total income</b>		<b>4,307,909</b>	<b>10,000</b>	<b>4,317,909</b>	<b>1,369,621</b>	<b>120,850</b>	<b>1,490,471</b>
<b>Expenditure on:</b>							
Raising funds	4	641,195	—	641,195	526,399	—	526,399
Charitable activities	5	2,055,976	33,465	2,089,441	1,036,428	96,328	1,132,756
<b>Total expenditure</b>		<b>2,697,171</b>	<b>33,465</b>	<b>2,730,636</b>	<b>1,562,827</b>	<b>96,328</b>	<b>1,659,155</b>
<b>Net (expenditure) income before transfers</b>		<b>1,610,738</b>	<b>(23,465)</b>	<b>1,587,273</b>	<b>(193,206)</b>	<b>24,522</b>	<b>(168,684)</b>
Transfer between funds		2,422	(2,422)	—	—	—	—
<b>Net movement in funds</b>	7	<b>1,613,160</b>	<b>(25,887)</b>	<b>1,587,273</b>	<b>(193,206)</b>	<b>24,522</b>	<b>(168,684)</b>
<b>Reconciliation of funds</b>							
Fund balances brought forward		3,447,366	102,091	3,549,457	3,640,572	77,569	3,718,141
<b>Fund balances carried forward</b>		<b>5,060,526</b>	<b>76,204</b>	<b>5,136,730</b>	<b>3,447,366</b>	<b>102,091</b>	<b>3,549,457</b>

All income and expenditure derived from continuing activities during the above two financial periods.

All recognised gains and losses are included in the above statement of financial activities.

## Balance Sheet

Period Ended 30 June 2022

	Notes	30 June 2022 £	30 June 2022 £	31 December 2020 £	31 December 2020 £
<b>Fixed assets</b>					
Tangible assets	9		<b>25,358</b>		35,687
Investments	10		<b>1</b>		<b>1</b>
			<b>25,359</b>		35,688
<b>Current assets</b>					
Debtors	11	<b>173,346</b>		196,404	
Cash at bank and in hand		<b>5,493,687</b>		3,223,364	
Short term deposits		<b>7,700</b>		775,160	
		<b>5,674,733</b>		4,194,928	
<b>Liabilities</b>					
Creditors: amounts falling due within one year	12	<b>(563,362)</b>		(681,159)	
<b>Net current assets</b>			<b>5,111,371</b>		3,513,769
<b>Total net assets</b>			<b>5,136,730</b>		<b>3,549,457</b>
<b>Income funds</b>					
Restricted funds	14		<b>76,204</b>		102,091
Unrestricted funds			<b>5,060,526</b>		3,447,366
	15		<b>5,136,730</b>		<b>3,549,457</b>

Approved by the Trustees and signed on their behalf by:



Trustee

Approved on: 16 March 2023

Rays of Sunshine

Registered Company Number: 04860607 (England and Wales)

## Statement of Cash Flows

Period Ended 30 June 2022

	Notes	Period ended 30 June 2022 £	Year to 31 December 2020 £
<b>Cash flows from operating activities:</b>			
Net cash (used in) provided by operating activities	A	<b>1,528,571</b>	(255,983)
<b>Cash flows from investing activities:</b>			
Purchase of tangible fixed assets		<b>(28,671)</b>	(7,813)
Interest received		<b>2,963</b>	10,653
<b>Net cash generated from (used by) investing activities</b>		<b>(25,708)</b>	2,840
<b>Net (decrease) increase in cash and cash equivalents</b>		<b>1,502,863</b>	(253,143)
<b>Cash and cash equivalents at 1 January 2021</b>		<b>3,998,524</b>	4,251,667
<b>Cash and cash equivalents at 30 June activities 2022</b>	B	<b>5,501,387</b>	3,998,524

### A: Reconciliation of net movement in funds to net cash provided by operating

	Period ended 30 June 2022 £	Year to 31 December 2020 £
Net movement in funds	<b>1,587,273</b>	(168,684)
Depreciation charge	<b>39,000</b>	26,162
Investment income	<b>(2,963)</b>	(10,653)
Decrease (increase) in debtors	<b>23,058</b>	407,167
(Decrease) increase in creditors	<b>(117,797)</b>	(509,975)
<b>Net cash (used in) provided by operating activities</b>	<b>1,528,571</b>	(255,983)

### B: Analysis of changes in net debt

	31 December 2020 £	Cash flows £	30 June 2022 £
Cash at bank and in hand	3,223,364	2,270,323	<b>5,493,687</b>
Short term deposits	775,160	(767,460)	<b>7,700</b>
	<b>3,998,524</b>	<b>1,502,863</b>	<b>5,501,387</b>



## Principal Accounting Policies

Period ended 30 June 2022

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 period from 1 January 2021 to 30 June 2022 with comparative information provided in respect to the year ended 31 December 2020. They are presented in sterling and are rounded to the nearest pound.

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 (FRS 102) (Charities SORP FRS 102) issued on 16 July 2014, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

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

### Critical accounting estimates and areas of judgement

Preparation of the financial statements requires the trustees and management to make significant judgements and estimates. The areas in the financial statements where these judgements and estimates have been made include:

- ◆ determining the valuation of gifts in kind;
- ◆ the accrual for wish expenditure committed but not yet completed;
- ◆ the allocation of support costs to charitable activities; and
- ◆ estimating the useful economic life of tangible fixed assets for the purpose of determining the annual depreciation charge.

In addition to the above, the full impact following the recent emergence of the global coronavirus pandemic is still unknown. It is therefore not currently possible to evaluate all the potential implications for the charity's activities, beneficiaries, funders, suppliers and the wider economy.

### 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.

### **Assessment of going concern (continued)**

The trustees have taken into consideration the impact of the pandemic on the charity and have concluded that although there may be some negative consequences and greater risk in relation to the fundraising for the charity's activities, the trustees believe that the charity is a going concern on the basis detailed within the 'Future plans and post balance sheet event' and 'Going concern assessment' sections within the trustees' report. 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.

### **Income**

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 and legacies, gifts in kind, fundraising and bank interest.

Donations, including gift aid, 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.

Legacies are included in the statement of financial activities when the charity is entitled to the legacy, the executors have established that there are sufficient assets in the estate to pay the legacy, and any conditions attached to the legacy are within the control of the charity. If the amount is not known, the legacy is treated as a contingent asset. Entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor to the charity 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 charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, but the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material. In the event that the gift is in the form of an asset other than cash or a financial asset traded on a recognised stock exchange, recognition is subject to the value of the gift being reliably measurable with a degree of reasonable accuracy and the title of the asset having been transferred to the charity.

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.

### **Donations in kind**

Services and facilities donated (for free or discounted) to the charity for its own use are included as income at their value to the charity as at the time of the gift with an equivalent amount included in expenditure.

Where goods or services are provided to the charity as a donation that would normally be purchased from suppliers, this contribution is included in the financial statements as both income and expenditure at its estimated fair value based on the value of the contribution to the charity.

Many items donated to the charity include a 'money-can't-buy element' such as the time provided by celebrities to meet the children and attend charity events, and therefore no commercial value has been placed on these gifts in kind in the financial statements.

### **Services provided by volunteers**

For the purposes of these financial statements, no value has been placed on administrative and other services provided by volunteers in accordance with the Charities SORP FRS 102.

### **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 as described below. The classification between activities is as follows:

- ◆ Expenditure on raising funds includes all expenditure associated with raising funds for the charity. This includes staff, other direct costs associated with fundraising and allocated support costs associated with fundraising.
- ◆ 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 wish costs as well as an allocation of support costs.

All expenditure is stated inclusive of irrecoverable VAT.

### **Allocation of support and governance costs**

Support costs represent indirect charitable expenditure. In order to carry out the primary purposes of the charity, it is necessary to provide support in the form of support staff.

Within support costs are also governance costs, which include the costs of statutory compliance and other costs related to the governance of the charity.

Support and governance costs are allocated to activities on the basis of staff time spent on those activities in the following proportions: 70% to charitable activities and 30% to raising funds.

### **Tangible fixed assets**

Tangible fixed assets are stated at cost less depreciation. All assets costing more than £500 and with an expected useful life exceeding one year are capitalised. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful economic life as follows:

- ◆ Fixtures, fittings & equipment 33% straight line

### **Investments**

Investment in the subsidiary company is valued at cost, with provision being made for any permanent diminution in value.

### **Debtors**

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

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

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

### **Short term deposits**

Deposits for more than three months but less than one year have been disclosed as short-term deposits.

### **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.

Liabilities for wishes are recognised as expenditure as soon as there is a specific commitment creating an obligation and an expectation that a wish will be fulfilled. The liabilities at the balance sheet date are included within creditors due within one year.

### **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.

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

### **Taxation status**

The charitable company is a registered charity and is not subject to corporation tax on its current activities.

### **Fund structure**

Unrestricted general funds represent those monies which are freely available for application towards achieving any charitable purpose that falls within the charity's charitable objects at the discretion of the trustees unless the funds have been designated for other purposes.

Restricted funds comprise monies raised for, or their use restricted to, a specific purpose, or contributions subject to donor imposed conditions. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

### **Financial instruments**

The charity holds only basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the charity and their measurement basis are as follows:

Financial assets – trade debtors and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments.

Cash at bank and short term deposits – clarified as basic financial instruments and measured at face value.

Financial liabilities – accruals and other creditors are financial instruments and are measured at amortised cost.

**Notes to the financial statements**  
Period ended 30 June 2022

**1 Donations and legacies**

	Unrestricted funds £	Restricted funds £	Period ended 30 June 2022 Total funds £	Unrestricted funds £	Restricted funds £	Year to 31 December 2020 Total funds £
Donations	4,059,562	10,000	4,069,562	882,582	120,850	1,003,432
Legacies	2,500	—	2,500	882,582	120,850	1,003,432
	<b>4,062,062</b>	<b>10,000</b>	<b>4,072,062</b>	<b>882,582</b>	<b>120,850</b>	<b>1,003,432</b>

**2 Donations in kind**

	Unrestricted funds Period ended 30 June 2022 £	Year to 31 December 2020 £
Rent and related costs	—	26,793
Wishes	28,834	87,714
Advertising	41,951	61,944
Computer services	29,454	28,323
Events	22,470	39,132
Office costs	22,610	18,358
Governance costs	7,200	4,010
	<b>152,519</b>	<b>266,274</b>

The charity received donations in kind valued at £152,519 (2020: £266,274) during the period. In addition, a significant number of gifts were received for which it is difficult to attribute a value. For example, the time provided by celebrities to meet children and attend charity events. It has not been possible to attribute a value to such gifts in these financial statements.

**3 Other trading activities**

	Unrestricted funds £	Restricted funds 2022 £	Period ended 30 June 2022 Total funds £	Unrestricted funds £	Restricted funds £	Year to 31 December 2020 Total funds £
Events	69,850	—	69,850	53,446	—	53,446
Community fundraising	18,099	—	18,099	8,940	—	8,940
Other trading activities	—	—	—	30,753	—	30,753
	<b>87,949</b>	<b>—</b>	<b>87,949</b>	<b>93,139</b>	<b>—</b>	<b>93,139</b>

#### 4 Costs of raising funds

	Period ended 30 June 2022			Year to 31 December 2020		
	Unrestricted funds	Restricted funds	Total funds	Unrestricted funds	Restricted funds	Total funds
	£	£	£	£	£	£
<b>Event and fundraising costs</b>						
Staging fundraising events	187,287	—	187,287	112,093	—	112,093
Advertising	41,305	—	41,305	62,793	—	62,793
Staff costs	325,902	—	325,902	313,769	—	313,769
Other fundraising costs	10,599	—	10,599	9,918	—	9,918
	<b>565,093</b>	<b>—</b>	<b>565,093</b>	<b>498,573</b>	<b>—</b>	<b>498,573</b>
Support costs	76,102	—	76,102	27,826	—	27,826
	<b>641,195</b>	<b>—</b>	<b>641,195</b>	<b>526,399</b>	<b>—</b>	<b>526,399</b>

#### 5 Charitable activities

	Period ended 30 June 2022			Year to 31 December 2020		
	Unrestricted funds	Restricted funds	Total funds	Unrestricted funds	Restricted funds	Total funds
	£	£	£	£	£	£
Staff costs	520,210	—	520,210	422,855	—	422,855
Depreciation	39,000	—	39,000	26,162	—	26,162
Wishes	691,583	33,465	725,048	220,627	96,328	316,955
Other office costs	627,612	—	627,612	301,855	—	301,855
	<b>1,878,405</b>	<b>33,465</b>	<b>1,911,870</b>	<b>971,499</b>	<b>96,328</b>	<b>1,067,827</b>
Support costs	177,571	—	177,571	64,929	—	64,929
	<b>2,055,976</b>	<b>33,465</b>	<b>2,089,441</b>	<b>1,036,428</b>	<b>96,328</b>	<b>1,132,756</b>

#### 6 Support costs

	Period ended 30 June 2022	Year to 31 December 2020
	£	£
Staff costs	223,793	69,425
Governance costs:		
. Audit fees	22,680	14,520
. Accountancy	7,200	4,800
. Legal and professional fees	—	4,010
	<b>253,673</b>	<b>92,755</b>

## 7 Net income and net movement in funds for the year

This is stated after charging:

	Unrestricted funds	
	Period ended	Year to 31 December
	30 June 2022	2020
	£	£
Staff costs (note 8)	1,069,905	806,049
Auditor's remuneration (note 6)	22,680	14,520
Depreciation (note 9)	39,000	26,162

## 8 Staff costs, remuneration of key management and Trustees' remuneration

The average monthly number of employees during the year was:

	Period ended	Year to 31 December
	30 June 2022	2020
	£	£
Provision of wishes and fundraising	19	24

### Employment costs

	Period ended	Year to 31 December
	30 June 2022	2020
	£	£
Wages and salaries	934,904	704,855
Social security costs	102,225	70,610
Other pension costs	32,776	30,584
	1,069,905	806,049

The key management personnel of the charity comprise the Trustees, the Chief Executive Officer, the Director of Strategic Planning and Development, the Director of Fundraising and Communications, the Head of Operations, the Head of Finance and the Head of Services. The total employee benefits, including social security costs employer pension contributions of the key management personnel of the charity were £433,115 (year to 31 December 2020: £249,358).

The former CEO was appointed as a board member from May 2020 and total employee benefits received and included in the key management personnel remuneration figure were £11,866 in the year ended 31 December 2020 (Period to 30 June 2022: £nil). No remuneration is paid to Trustees for their services as board members. No expenses were reclaimed by Trustees in the period ended 30 June 2022 (2020: £nil).



## 8 Staff costs, remuneration of key management and Trustees' remuneration (continued)

The number of employees who earned £60,000 or more (excluding employer contributions and excluding pension costs) during the accounting periods were:

	Period ended 30 June 2022	Year to 31 December 2020
	No.	No.
£70,001 - £80,000	1	1

During the period, pension costs totalling £nil (year to 31 December 2020: £4,203) were paid in respect of the above employees. Details of other related party transactions are included in note 16.

Included within other income is £2,416 (year to 31 December 2020: £116,973) Coronavirus Job Retention Scheme income in relation to one staff member (2020: 17 staff members) who was furloughed.

## 9 Tangible fixed assets

	Fixtures, fittings & equipment £
<b>Cost</b>	
At 1 January 2021	174,137
Additions	28,671
At 30 June 2022	202,808
<b>Depreciation and impairment</b>	
At 1 January 2021	138,450
Depreciation charged in the year	39,000
At 30 June 2022	177,450
<b>Net book value</b>	
At 30 June 2022	25,358
At 1 January 2021	35,687

## 10 Fixed asset investments

	Other investments £
<b>Cost or valuation</b>	1
At 1 January 2021 and 30 June 2022	1

The fixed asset investment relates to 100% holding in Rays of Sunshine Promotions Limited, which was dormant in the above two periods. Rays of Sunshine Promotions Limited's registered address is 4th Floor, Berkeley House, 304 Regents Park Road, London, England, N3 2JY.

## 11 Debtors

Amounts falling due within one year:

	Period ended 30 June 2022	Year to 31 December 2020
	£	£
Trade debtors	3,224	32,162
Other debtors	22,328	22,328
Prepayments and accrued income	147,794	141,914
	<b>173,346</b>	<b>196,404</b>

## 12 Creditors: amounts falling due within one year

	Period ended 30 June 2022	Year to 31 December 2020
	£	£
Trade creditors	43,909	12,065
Other creditors	56,189	49,103
Accruals and deferred income	463,264	619,991
	<b>563,362</b>	<b>681,159</b>

At 30 June 2022, included within accruals and deferred income are committed wishes totalling £364,576 (year to 31 December 2020: £551,998).

Brought forward deferred income released in the prior year was in relation to the 2020 London marathon.

	Period ended 30 June 2022	Year to 31 December 2020
	£	£
Deferred income brought forward at 1 January 2021	—	18,447
Amount released in the year	—	(18,447)
Amount deferred in the year	—	—
Deferred income carried forward 30 June 2022	—	—

### 13 Operating leases

As at 30 June 2022, the charity was committed to total future minimum lease payments under non-cancellable operating leases as follows:

	Office premises	
	Period ended 30 June 2022	Year to 31 December 2020
	£	£
Within one year	107,172	107,172
Within two to five years	17,862	169,689
	<b>125,034</b>	<b>276,861</b>

### 14 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:

	Balance at 1 January 2021 £	Income £	Expenditure £	Transfers £	Balance at 30 June 2022 £
Specific wishes	102,091	10,000	(33,465)	(2,422)	87,034

	Balance at 1 January 2020 £	Income £	Expenditure £	Transfers £	Balance at 31 December 2020 £
Specific wishes	77,569	120,850	(96,328)	—	102,091

Restricted funds comprised sums received for specific wishes and equipment.

## 15 Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	Total £
<b>Fund balances at 30 June 2022 are represented by:</b>			
Tangible assets	25,358	—	25,358
Investments	1	—	1
Current assets	5,598,529	76,204	5,674,733
Creditors: amounts falling due within one year	(563,362)	—	(563,362)
	<b>5,060,526</b>	<b>76,204</b>	<b>5,136,730</b>
	Unrestricted funds £	Restricted funds £	Total £
<b>Fund balances at 31 December 2020 are represented by:</b>			
Tangible assets	35,687	—	35,687
Investments	1	—	1
Current assets	4,092,838	102,091	4,194,930
Creditors: amounts falling due within one year	(681,159)	—	(681,159)
	<b>3,447,366</b>	<b>102,091</b>	<b>3,549,457</b>

## 16 Related party transactions

The charity received cash donations and gifts in kind from various related parties during the year. These are summarised below:

Related Party	Donations	
	Period ended 30 June 2022 £	Year to 31 December 2020 £
Trustees	48,593	42,443
Others excluding Trustees: · Executive board members	58,710	12,250
<b>Total</b>	<b>107,303</b>	<b>54,693</b>

## 16 Related party transactions (continued)

The donations above were without specific terms and conditions and unrestricted in nature.

Related Party	Goods/Services in Kind		Further details
	2022 £	2020 £	
Jeffreys Henry	7,200	4,800	Justin Randall, a Trustee of the charity, is a partner at Jeffreys Henry LLP. The firm provided the charity with payroll services.
Mediacom	—	2,400	Stephen Allan, a Trustee of the charity, is the former Worldwide Chairman & CEO at Mediacom. Mediacom provided the charity with advertising space in relation to the Christmas campaign in December 2020.
Mishcon De Reya	—	4,010	Nick Davis, a (former) Trustee of the charity, is a director/partner at Mishcon De Reya. The firm provided the charity with legal services.
Related Party	Donations		Further details
Capital Group	47,100	21,250	Annual donation made by the Foundation where Rays of Sunshine has been nominated (via employee vote) by Caroline Randall - wife of Trustee Justin Randall.
Purple Surgical	18,000	12,000	Annual patronage paid by Robert Sharpe - husband of Trustee Jane Sharpe.
Related Party	Amounts paid		Further details
Mediacom	7,800	—	Advertising costs