



**THE ARCHIE
FOUNDATION**

MAKING THE DIFFERENCE
FOR SICK CHILDREN IN THE NORTH OF SCOTLAND

THE ARCHIE FOUNDATION
(Charity Number: SC039521)
(Company Number: SC340297)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
(a company limited by guarantee and not having share capital)

31 DECEMBER 2017

THE ARCHIE FOUNDATION
TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

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THE ARCHIE FOUNDATION
LEGAL AND ADMINISTRATIVE INFORMATION

TRUSTEES

Joseph Mackie, Chairman
John Findlay
Kevin McCormick
Professor George Youngson CBE
Christopher Driver
Sue Swift
Kirsty Mills-Bishop
Barbara Jones
Fiona Willox (appointed 29 March 2018)
Carol Munro (appointed 29 March 2018)
Robert Anderson (appointed 12 March 2018)
Alasdair Gardner (resigned 28 September 2017)
Annie Robertson (resigned 29 March 2018)
Laura Gray (resigned 29 March 2018)

COMPANY SECRETARY

Iain Smith Solicitors LLP

ORGANISATION

The day to day management of the charity is delegated to David Wood, Chief Executive

REGISTERED OFFICE

Royal Aberdeen Children's Hospital
Westburn Road
ABERDEEN
AB25 2ZG

AUDITORS

Anderson Anderson & Brown Audit LLP
Kingshill View
Prime Four Business Park
Kingswells
ABERDEEN
AB15 8PU

BANKERS

Bank of Scotland
EDINBURGH
EH2 2YR

SOLICITORS

Iain Smith Solicitors LLP
18 Queens Road
ABERDEEN
AB15 4ZT

THE ARCHIE FOUNDATION TRUSTEES' ANNUAL REPORT

The Trustees present their report and accounts for the year ended 31 December 2017.

Legal and administrative information set out on the previous page forms part of this report. The financial statements comply with current statutory requirements; the Articles of Association; 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) and the Companies Act 2006.

OBJECTIVE AND ACTIVITIES - THE ROLE OF THE ARCHIE FOUNDATION

The ARCHIE Foundation 'Makes the Difference' when a child is sick or otherwise accessing healthcare. Within Scotland this is predominantly in Grampian, Orkney, Shetland, the Highlands and in Tayside.

Wherever we work, we make the difference by providing facilities or services over and above those already provided by the NHS. We work closely in partnership with the NHS in Grampian, Highland and Tayside.

Over the years the lessons learned in Scotland have been taken to East Africa through our ARCHIE Global Surgery project; where we have provided high quality, life-saving surgical facilities for children. This year after a great deal of debate and discussion, it was agreed to separate the future provision of ARCHIE Global Surgery from The ARCHIE Foundation and for another organisation to become its own, independent charity.

Our charitable purposes are: The relief of suffering and distress and the furtherance of health by supporting, equipping, enhancement and maintenance of the Royal Aberdeen Children's Hospital and child health services across Scotland, research related to child health, specialist training for child health professionals, support for children, young people and their families who use child health services in Scotland, also to include supporting, equipping and enhancement of children's healthcare services worldwide or for such other related charitable objects as the Company in its sole discretion may determine. We operate on a non-profit basis.

Whether in the Royal Aberdeen Children's Hospital, Tayside Children's Hospital, the Children's Wards in Inverness and Elgin, in many rural community hospitals and in Uganda too, The ARCHIE Foundation provides the extras, over and above the core, state-funded child health provision, that make the experience of being in hospital for children less daunting, less stressful, often shorter and always more positive.

In 2017, we captured the support and imagination of children and families across Scotland as we generated a total income of over £2,166,000 and successfully delivered a range of projects that transformed the experience of being in hospital for close to 200,000 children across our region.

Sometimes through the provision of enhanced facilities; more often through the provision of emergency grants, equipment and specialist people; and on a daily basis through the provision of toys and entertainment; working every hour of every day of the year through our family support programmes our work positively influences and sometimes saves the lives of children. We are extremely proud of that impact and enormously grateful to everyone involved in making it happen. We are a charity with children and local people at our very core and our relationship with the NHS in Grampian, Highland and Tayside is fundamental to our current and future success.

Selecting highlights for inclusion in this report is incredibly difficult and it would be better to list all the children that have benefitted from our support. It has been a very special year, from the planning around the redevelopment of the outpatient's area and the accident and emergency reception work at The Royal Aberdeen Children's Hospital to the holding of the ARCHIE Foundation's very first Storybook Ball. Significantly we also welcomed and successfully integrated the Fairy Box Charity into the ARCHIE Foundation providing toys to children in hospitals across Scotland. We also successfully completed the work to bring The Friends of the Special Nursery into the 'ARCHIE Family', allowing significant progress in our work to improve care for neonatal babies.

**THE ARCHIE FOUNDATION
TRUSTEES' ANNUAL REPORT**

OBJECTIVE AND ACTIVITIES - THE ROLE OF THE ARCHIE FOUNDATION (continued)

In 2017 both the Inverness Fundraising Committee and the Tayside Fundraising Committee began to take a more prominent role in our regional fundraising activities and we are extremely grateful and remarkably fortunate to have such a dedicated, talented and well-connected group of individuals organising and running our events whilst raising our profile in our communities.

In Tayside and in partnership with Dundee's Leisure and Culture team we built on the enormous success of the 2016 Oor Wullie Bucket Trail and delivered the first ever "Santa Dash" that saw 700 "Santa's" of all ages and styles running through the city raising substantial funds for the Tayside Children's Hospital. In addition we saw the launch of the ARCHIE's book written by Paul Fettes with a foreword by one of our patrons, Mark Beaumont.

In Inverness, our Highlands Fundraising Committee agreed to fundraise for the "Fresh Air Project" with the intention of developing several gardens (including a sensory garden) around the Children's Unit at Raigmore. This much needed project will when complete allow children the opportunity to enjoy and benefit from outdoor spaces and add considerable value to their time in hospital whether that be short or long term.

The Friends of the Special Nursery Committee, now as an important part of the ARCHIE Foundation continued to play a crucial role in supporting children and families in the Neonatal unit in Aberdeen. The drive, energy and commitment of the committee has been and continues to be quite remarkable. In 2017 the "Friends" developed a wonderfully effective partnership with The Chester Hotel and received a significant amount of financial and hands on support from this. The committee also approved 11 giraffe incubators, and these have been hugely welcomed by the nursing team and have proved to be invaluable for early born babies.

In Grampian, a range of fundraising events took place, including the inaugural Storybook Ball, our Abseil, ARCHIE's Adrenalin Drop, the Virtual Challenge and the most successful of all the Beards for Bairns campaign that raised over £75k from those who were encouraged to grow a beard in support of sick children. We were very grateful for all the support we received from all of our supporters.

2017 has been a year when decisions have been made about the future direction of the charity and although this has not hampered our performance it has allowed us the opportunity to replenish our desire to generate a larger footprint in Scotland and in particular in the north and north east. Partnerships have been developed with the children's charities in Glasgow and Edinburgh as we gear up for the Big Bucket Trail. In addition, the planning has begun for the development of the Baird Family Hospital and the ANCHOR Centre and once more we will be working in partnership with Aberdeen University, the NHS and Friends of Anchor as we seek to realise the fundraising ambitions that are essential to ensure we make a real difference to children and the service that is provided to families throughout the region.

The ARCHIE Foundation is a hugely successful charity, but it relies on the support of our volunteers, our trustees, our dedicated staffing team, local families, communities across the region, individual donors, trusts, foundations and businesses embedded within Grampian, Highland and Tayside. We are very grateful for all the support we receive and we all know that the support we provide for sick children in a variety of different ways is just so hugely important.

Whether delivering on our aims and objectives in the North of Scotland or creating life-saving facilities in East Africa, The ARCHIE Foundation is making an exceptional difference for local children, wherever they may be. We are proud of that impact, proud of the efficiency with which it is delivered and proud to present this review of our work.

**THE ARCHIE FOUNDATION
TRUSTEES' ANNUAL REPORT**

ACHIEVEMENTS AND PERFORMANCE

In 2017 the charity exceeded its fundamental objectives and successfully delivered on several fronts. Many projects met their objectives, including the planning of the out-patient's area and the Accident and Emergency reception works within the Royal Aberdeen Children's Hospital. In addition, the ARCHIE Foundation successfully concluded the work to bring Fairy Box into the charity allowing even more children to benefit from accessing toys in hospitals across Scotland.

Fundraising, activities and events in Tayside and Highland reached a new and higher level and this strengthened the charity, increased our supporter and volunteer base and enhanced the brand awareness throughout the region. The ARCHIE Foundation continued to ensure it was:

'Making the Difference' today and meeting the needs of sick children, their families and NHS staff across Grampian, Tayside and Highland in 2017.

The need to react positively to the 'here and now' is never far away in a children's hospital environment. In 2017, The ARCHIE Foundation achieved this in several ways including:

1. On-going provision of a 20-bed Family Accommodation Suite, free of charge, for as long as it is required for families from across the North of Scotland and the Islands in the Royal Aberdeen Children's Hospital. Furthermore, work continued to upgrade this facility during 2017 and is expected to continue on a rolling basis through 2018 and 2019.
2. Provision of a Family Support Worker, based in our Family Suite, on a part-time basis to help those families.
3. Funding of The ARCHIE Specialist Nurse in Paediatric Pain Management to allow a highly specialist clinic for children from across the North of Scotland who are suffering from chronic, long-term pain to have enhanced care and to see significant improvements in their quality of life.
4. Continued support of our life-changing 'Sensory Dynamic Orthosis Clinic' in Aberdeen, to allow every child with cerebral Palsy to be assessed for, and benefit from, individually tailored garments that provide round-the-clock physiotherapy. Allowing these children to grow up with improved strength, posture and the resulting benefits of improved self-esteem and confidence achieved by 'not being different'.
5. Funding of an ARCHIE Play leader in the Royal Aberdeen Children's Hospital to allow the play service to extend provision of supportive and therapeutic play for children in hospital to include weekends and to be more extensive during the week.
6. Funding of the coordinator of the Grampian Child Bereavement Service to ensure children suffering overwhelmingly as a result of bereavement can access the help and support they need to prevent them becoming patients, or reduce their time as patients, of the Child and Adolescent Mental Health Service.
7. Sustaining our Small Grant and Emergency Grant scheme, allowing families and clinical staff to access grants up to £500 in usually emergency/urgent situations. In total 216 grants were made in 2017 with an average value of £296.56 to help families from across the North of Scotland as they coped with their child being in hospital.
8. We supported the cost of 77 members of paediatric staff from across NHS Grampian, Orkney and Highland to undertake specialist-training courses or attend conferences to improve their knowledge and skills. This would not have happened without the support of the ARCHIE Foundation
9. Providing specialist paediatric equipment that supplements that provided by the NHS.
10. Providing one off financial support to children and families in a manner that fits the needs of those in real and immediate need.

ACHIEVEMENTS AND PERFORMANCE (continued)

'Making a Difference' Internationally

The ARCHIE Foundation designed and opened Uganda's first dedicated children's operating theatre and surgical ward in 2015. In 2016 we built on that success through the creation of the country's second dedicated paediatric operating theatre suite, this time in the rural south west of the country in Mbarara.

This facility, which was fully funded by a single donation from the Ferguson Family, had an immediate impact. Giving the one local surgeon a dedicated facility has allowed children to receive operations every day of the week. Furthermore, with the facility in place, a trainee paediatric surgeon was recruited from the general surgeons working within the country and now an extensive elective and emergency surgery provision is in place.

Although this year it was agreed to separate the future provision of ARCHIE Global Surgery from the ARCHIE Foundation, the charity will continue to support, maintain and closely liaise with the initial two units in Uganda. Our vision is that these will forever be ARCHIE's 'twin-hospitals' in the region - friends that can be supported, hospitals that can exchange staff and communities that can be strengthened through the provision of safe surgery. We will always be extremely grateful of the support we received from Megan and Craig Ferguson that enabled us to achieve all that we have in Africa.

'Making the Difference' tomorrow too

The ARCHIE Foundation also continued and developed our 'up-stream' investment programme to inform future healthcare provision, inform families and children of important paediatric healthcare messages and to support early intervention in paediatric mental health to reduce future requirement. We also continued to raise funds to assist the upgrade of the Royal Aberdeen Children's Hospital, the Highland Children's Unit in Inverness and the Tayside Children's Hospital.

In 2017, our key priorities in this area were as follows:

1. Completing our Research Investment Programme by allowing research into the high prevalence of respiratory disease in children from the North of Scotland to be finalised.
2. The continuation and development of our café projects. Our two cafes are designed to welcome families with young children, ensure they have a safe and relaxing environment in which to play where they can also pick up useful, accurate and important healthcare information for their child.
3. Our on-going support of the Grampian Child Bereavement Network allowing them to work with children who have suffered bereavement and identify children who are struggling to overcome this - allowing supportive structures to be put in place and preventing these children developing poor mental health, and becoming patients, as a result of the loss experienced.

**THE ARCHIE FOUNDATION
TRUSTEES' ANNUAL REPORT**

COMMUNITY CAFES LTD IN 2017

In line with our plans to support children's healthcare by helping families to access the best information for their children, The ARCHIE Foundation launched a subsidiary company, Community Cafes Ltd, in late 2013. This wholly owned company was created to allow the development of a new income stream and charitable project.

The first café opened in the Hilton Community Centre in Inverness. This community faces many challenges and children from the area are more likely to require the services of healthcare professionals as they grow up. Our café, equipped with free-to-use soft play facilities for pre-school children, is in the heart of the community and is designed to be a place where families with young children can come and spend some quality time with their child in a safe, low cost environment.

This café carries out charitable activities on behalf of the charity, aiming to, for example, tackle many of the 'myths' that perpetuate within communities and families around child health. Advising a young mum, subtly, when to start brushing her baby's teeth and to use a toothpaste containing fluoride, is a good example of how the café can significantly reduce the child's need for excessive dental intervention (often general anaesthetic for extractions) before the child reaches school.

Our second café operates in a more commercially viable location in the Eastgate Centre, Inverness with a view to generating income for the charity. In line with all expectations, this café experienced a successful trading year in 2017 and operated at a very high standard. It allows the ARCHIE Foundation brand to be further recognised within the heart of the Inverness community and this is incredibly important.

Recognising the benefits to the community, the Board has provided the company with an undertaking to review and support the trading of the company.

STRUCTURE AND GOVERNANCE

The ARCHIE Foundation was formed in September 2000 to support the creation of the Royal Aberdeen Children's Hospital. After the hospital opened, the charity was subsumed into the NHS Grampian Endowment Fund between 2004 and 2008, later emerging as an independent charity in 2008. The assets and liabilities of the charity were transferred into a company limited by guarantee at that time.

The Articles of Association were reviewed in March 2017 to allow growth into the Highlands, growth into Tayside and, most recently, growth into Africa. The Trustees are responsible for the strategy and governance of the charity and monitoring performance in line with the strategic objectives. The ARCHIE Foundation is a charity registered in Scotland number SC039521.

The Board of Trustees devolve day-to-day management of the charity to the Chief Executive. David Cunningham resigned as Chief Executive from the ARCHIE Foundation in September 2017 and worked his notice through to the end of December 2017. A new Chief Executive, David Wood joined the ARCHIE Foundation in 2018.

The Board has Four Committees reporting to it:

- The Clinical Advisory Committee
- The Finance & Governance Committee
- The International Development Committee
- The Friends of the Special Nursery Committee

**THE ARCHIE FOUNDATION
TRUSTEES' ANNUAL REPORT**

STRUCTURE AND GOVERNANCE (continued)

The Clinical Advisory Committee, which has parent representation and non-trustees as members, reviews all charitable applications over £500 relating to child health within the Children's Hospital and Community Child Health environments. It makes recommendations on their suitability and appropriateness to the Board.

The International Development Committee, which has one lay member and non-trustees as members, reviews all current and potential future overseas work. The Committee also supports the development of international hospital partnerships (such as that with the Children's Hospital at Dartmouth-Hitchcock) to allow the development of new skills for healthcare workers in Scotland. This Committee also reviews any applications for development of our work internationally.

The Friends of the Special Nursery Committee reviews all applications for support in the Neonatal Unit over £500. The Committee has non-trustees serving on it and makes recommendations on the suitability of the applications to the Board. The Committee works very closely with the nursing team within the Neonatal Unit.

The Finance and Governance Committee reviews the financial performance and management of the charity and subsidiary company and the financial implications of any funding applications being recommended for approval by the other Committees. The Finance and Governance Committee may then add further recommendations or comments for the Board relating to the financial or governance aspects of the grant being requested.

The Trustees consider the Board, the Chief Executive and the Senior Management Team to comprise the key management personnel of the charity. Trustees are required to disclose all relevant interests and register them with the Chief Executive with updates at each meeting. Trustees will withdraw from decisions where a conflict of interest arises.

The Board of Trustees ultimately make decisions relating to the activity of the charity, taking into account the recommendations made to them by the Committees.

TRUSTEES

Trustees are appointed for three-year terms with an option to stand for re-election once before at least one year off the board is required. Trustees are generally invited to join the board following advertisement of the position and then interview.

Once appointed, Trustees receive an induction from the Chief Executive and senior staff members and are invited to sit on such sub-committees as are appropriate. New Trustees are then required to enhance their knowledge through training, meetings with other members of the Board and tours of the charity's facilities, as appropriate. The Chief Executive will also spend time with the Trustees during their first year to ensure they are fully informed of the work of the charity and able to access all the information they require.

The terms of office, appointment process and wider governance of the charity were reviewed in 2016, leading to the need for a wider strategy review to be realised. This project was undertaken by a Trustee, Kevin McCormick, and concluded in 2017. As of 31 December 2017, there were a mix of NHS and non-NHS Trustees on the Board with a majority of non-NHS members.

**THE ARCHIE FOUNDATION
TRUSTEES' ANNUAL REPORT**

TRUSTEES (continued)

During 2017, the following served as Trustees of the charity and as directors of the company. The Committees they served on are also shown:

Trustee	Board	Finance & Governance Committee	Clinical Advisory Committee	International Development Committee	Friends of the Special Nursery
Joe Mackie	x*	x*		x	
Laura Gray	x**				
Chris Driver	x	x	x*		
Kirsty Mills-Bishop	x				x*
George Youngson	x	x		x*	
Sue Swift	x		x	x	
Kevin McCormick	x				
Barbara Jones	x				
John Findlay	x	x			
Annie Robertson	x				x
Alasdair Gardner	x	x			

* Chair

** Vice-Chair

In 2017, there were 5 board meetings with the Trustees attending the following number of meetings: Joseph Mackie (5), Laura Gray (5), Professor Youngson (4), Kirsty Mills-Bishop (2), Chris Driver (3), Sue Swift (2), Kevin McCormick (5), John Findlay (4), Alasdair Gardner (3), Annie Robertson (2), Barbara Jones (4).

Alasdair Gardner resigned as a Trustee in September 2017.

GRANT MAKING POLICY

The ARCHIE Foundation has a comprehensive funding programme providing grants for families, children and projects including those:

- for individual children currently in the care of the NHS;
- to support families during extended hospital admissions;
- to support NHS child health staff to undertake advanced training courses;
- to fund specialist equipment; and
- to fund specialist staff posts.

Our funding is provided to make a difference for any child, or group of children, accessing care in NHS Grampian, NHS Highland, NHS Shetland, NHS Orkney and NHS Tayside and we do not fund anything that should be provided by the NHS. What is considered as core NHS funding is increasingly open to debate.

We also provide long-term project support such as The ARCHIE Family Centre, which includes 20 bedrooms for parents of patients in Royal Aberdeen Children's Hospital, our Specialist Nurse post, other advanced staff posts, research into illnesses affecting local children and major refurbishment or development projects within the NHS across our area of activity.

The charity makes a number of grants to individuals and other organisations. The Board's grant-making policy differentiates between different financial requests and requests for different purposes.

**THE ARCHIE FOUNDATION
TRUSTEES' ANNUAL REPORT**

GRANT MAKING POLICY (continued)

Applications for support, to any part of the charity, of up to £500 are assessed for support by the Chief Executive. These are assessed against the charity's purposes, any current guidance from the Board and/or any existing restricted donations. Applicants are typically advised of an outcome within three working days.

Applications for support above £500 are assessed for approval by the appropriate expert Committee who will then make recommendations to the Board on whether they think the application is appropriate or not. The Board make the final decision, taking into account the recommendations - although they are not required to accept this advice.

REMUNERATION POLICY

The pay of the charity's staff is reviewed annually by the Remuneration Sub-Committee, which reports to the Finance and Governance Committee and then the Board. While recognising the challenges of recruitment in the North East of Scotland, the salary levels of staff are benchmarked against similar organisations within the UK to ensure that the remuneration set is fair and not significantly out of line with that generally paid for similar roles and levels of responsibility.

VOLUNTEERS

The charity enjoys the support of a large number of volunteers who make an important and significant contribution to our work. Although most volunteer opportunities are within our fundraising activities, we do enjoy the support of some regular office-based administration volunteers and also rely on volunteers to help deliver our Hilton Café project.

2017 FINANCIAL PERFORMANCE

In 2017, our financial performance was very much in line with expectations. Our overall income of £2.166m was significantly reduced from 2016 and this reflected that the ARCHIE Foundation had a reduced portfolio of major projects during the year. 2016 had been an exceptional year in relation to turnover and this was primarily the result of the very successful Oor Wullie Bucket Trail. The reduction in income is not a reflection on the nature of our long-term objectives and our income in 2018 and 2019 (in particular) will benefit from our fundraising activities around the Baird Family Hospital, the Tayside Children's Hospital and the Big Bucket Trail.

Income in 2017 was driven by a number of factors and events. Beards for Bairns was an exceptional campaign that drove a high level of income during the winter months. Our partnership with the Chester Hotel provided an excellent financial benefit to The Friends of the Special Nursery and this was hugely appreciated. The Tayside Fundraising Committee organised and oversaw the first ever Santa Dash with 700 "Santa's" of all ages running through the centre of Dundee and all to the benefit of the ARCHIE Foundation. The Inverness Fundraising Committee worked seamlessly to attract a large number of donations in the Highlands and in particular there was a strong performance as the new Fresh Air appeal became established.

Overall the charity and its superb staff and wonderful volunteers performed exceptionally well throughout the year. Delivering on many fronts for local sick children and their families.

THE ARCHIE FOUNDATION TRUSTEES' ANNUAL REPORT

2017 FINANCIAL REVIEW

The ARCHIE Foundation continues to enjoy a broad base of support. Donors come from a range of backgrounds including: the general community, corporate supporters, trusts and foundations, and schools and other community groups. The largest donors by volume are the general community. The largest donors by value are trusts and foundations.

Total income for the financial year was £2,166,045 (2016 - £3,822,149) and expenditure equalled £2,284,378 (2016 - £3,559,014). This income level met expectations for 2017 and will allow for the continuation of the delivery of a wide range of projects in 2018. The significant decrease in expenditure relates primarily to the inclusion of the expenditure on the Oor Wullie Bucket Trail in the prior year.

In 2017 there was net deficit of £118,333 (2016 - surplus of £263,135), which was broadly expected given the range of projects that we had committed to complete within the financial year.

Total funds at 31 December 2017 totalled £1,763,675 of which £1,258,523 are restricted funds (funds received that are restricted by the donor for a specific purpose), and £505,152 that are unrestricted.

Of the many funds operated by the charity, shown in note 19, there was no fund showing any significant deficit. In addition, during 2017 there were no substantial events that had a significant financial effect on the charity.

RESERVES POLICY

The Trustees have considered the reserves required, taking into account their current and future liabilities, and have agreed that a sum of £250,000, to allow provision for six months operating costs of the organisation, should be retained by the charity as part of its reserves. This has been achieved in 2017.

The free reserves of the group, after allowing for funds tied up in tangible fixed assets and designated funds, is £463,776 (2016 - £739,517). This includes a six-month operating reserve.

Further reserves relate to projects not yet ready for installation or not yet fully delivered and the Trustees maintain a position that funding should be fully available for any project before it is committed to. Where these projects span several years, reserves are created to allow subsequent years' funding to be available.

Any other reserves are only retained for the day-to-day activities of the charity and to ensure the Trustees can respond to urgent or emergency requests for assistance.

RISK

The Trustees have considered the reserves required, taking into account their current and future liabilities, and have agreed that a sum of £250,000, to allow provision for six months operating costs of the organisation, should be retained by the charity as part of its reserves. This has been achieved in 2017.

The free reserves of the group, after allowing for funds tied up in tangible fixed assets and designated funds, is £739,517. This includes a six-month operating reserve.

Further reserves relate to projects not yet ready for installation or not yet fully delivered and the Trustees maintain a position that funding should be fully available for any project before it is committed to. Where these projects span several years, reserves are created to allow subsequent years' funding to be available.

Any other reserves are only retained for the day-to-day activities of the charity and to ensure the Trustees can respond to urgent or emergency requests for assistance.

**THE ARCHIE FOUNDATION
TRUSTEES' ANNUAL REPORT**

INVESTMENT POLICY

The Board opts for a low risk investment policy with funds not immediately due for use held on 1-year deposits. Investments are made to ensure sufficient funds are always available to the charity to deliver on commitments made. The Trustees have sought confirmation from the banking partner that these funds are not invested in activities contrary to the objects of the charity.

The investment performance of £14,797 was up slightly on the previous year (£14,092). In the current climate of low interest rates, the Board is satisfied with this return, which was in-line with expectations.

PLANS FOR THE FUTURE

Our objectives for 2018 are:

- To complete the Tayside Children's Hospital project appeal and raise the remainder of the £2.0 million that we have agreed to contribute.
- To work with NHS Tayside and the Tayside Project Board to take forward the final design of the Tayside Children's Hospital.
- To work closely with the Edinburgh and Glasgow Children's charities, DC Thomson and Wild in Art to maximise the potential and outreach of the Big Bucket Trail fundraising initiative to be held in 2019.
- To work closely with NHS Grampian to develop a comprehensive fundraising strategy for the Baird Family Hospital and to work closely in partnership with Friends of Anchor, Aberdeen University and NHS Endowments.
- To continue to work with the Tayside and Highland Fundraising Committees and to ensure that the fundraising priorities are aligned and realised.
- To complete projects within the Royal Aberdeen Children's Hospital, including the parent's accommodation, high dependency unit and the paediatric assessment unit.
- To continue to integrate the Fairy Box charity and review how this service can best be sustained for children in hospital in Scotland.
- To continue to work in tandem with the Friends of the Special Nursery Committee to ensure that fundraising objectives are realised and that the Neonatal Unit receives all the support it requires.
- To continue to fundraise for the day-to-day provision of charitable services delivered by the charity as well as the high-profile capital appeals in Dundee and Aberdeen.
- To develop and enhance the potential of our relationship with the American Scottish Foundation and in tandem with this ensure that we maximise the potential of the fundraising opportunities provided by the New York marathon.
- To continue to operate our cafes as they increasingly enhance levels of profit back into the charity for use within the children's health service.
- To further increase our volunteer and Friends base, including in our cafes, to sustain our drive for high quality care and performance with as low a cost as possible.
- To make the most of the opportunity provided to raise the profile of the charity through our third community café, Tempo, and to operate that in partnership with the Bon Accord Centre, Aberdeen.

**THE ARCHIE FOUNDATION
TRUSTEES' ANNUAL REPORT**

CONNECTED BODIES

Community Cafes Limited is a wholly owned subsidiary company which operates two family friendly cafes in Inverness. The cafes are designed to be especially welcoming to families and customers with young children and, in addition to operating as a commercial activity, promote good children' health messages through the distribution of information and the various activities run in the cafes. Community Cafes Limited has a registered office address of 18 Queens Road, Aberdeen, AB15 4ZT - that of our solicitors.

RELATIONSHIP BETWEEN THE CHARITY AND RELATED PARTIES

- Community Cafes Limited was set up as a subsidiary trading company of the charity and donates its profits to the charity.
- Two trustees, Joe Mackie (Chairman) and John Findlay are directors of Community Cafes Limited.
- Four trustees, Laura Gray, Sue Swift, Chris Driver and Annie Robertson are employees of NHS Grampian.

Kevin McCormick is the owner of McCormick Consultancy (Aberdeen) Ltd, who have been contracted to provide communication support and strategy development support.

GOING CONCERN

The Trustees are satisfied that the accounts should be prepared on a going concern basis. They have reviewed the level of reserves, the budget for both income and expenditure for the next 12 months and also reviewed the risks to the charity and its ability to continue to raise funds in the future.

PROVISION 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 director is aware, there is no relevant audit information of which the company and the group's auditors are unaware, and
- that each director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company and the group's auditors in connection with preparing their report and to establish that the company and the group's auditors are aware of that information.

**THE ARCHIE FOUNDATION
TRUSTEES' ANNUAL REPORT**

AUDITORS

Anderson, Anderson & Brown Audit LLP have expressed their willingness to continue in office and a resolution proposing their re-appointment will be submitted at the annual general meeting.

The report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

The trustees' report was approved by the board of trustees and signed on its behalf.

J MACKIE
.....
Joseph Mackie
Chairman

Date: 27 SEPTEMBER 2018

THE ARCHIE FOUNDATION
TRUSTEES' RESPONSIBILITIES STATEMENT

The Trustees (who are also directors of The ARCHIE Foundation 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).

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 the Group and of the incoming resources and application of resources, including the income and expenditure, 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 of 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 Group will continue in operation.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company and the Group's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and the Group and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006. They are also responsible for safeguarding the assets of the charitable company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF THE ARCHIE FOUNDATION

Opinion

We have audited the financial statements of The Archie Foundation for the year ended 31 December 2017 which comprise the Consolidated and Charity Statements of Financial Activities, the Consolidated and Charity Balance Sheets, the Consolidated Cash Flow Statement 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 group's and the charitable company's affairs as at 31 December 2017 and of the group's incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and Regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 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 group 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

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 group's or 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 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF THE ARCHIE FOUNDATION

Other information (continued)

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 our audit

- the information given in the trustees' report, which includes the directors' report prepared 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 directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the group and the charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 require us to report to you if, in our opinion:

- adequate and proper 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; 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 exemption in preparing the trustees' report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 1, 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 group's or 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF THE ARCHIE FOUNDATION

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

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.

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 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, and to the charitable company's trustees, as a body, in accordance with Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members and trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company, the charitable company's members as a body and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

JOHN A BLACK

John A Black
Senior Statutory Auditor

For and on behalf of
Anderson Anderson & Brown Audit LLP

Statutory Auditor

Kingshill View
Prime Four Business Park
Kingswells
Aberdeen
AB15 8PU

Date: 27 SEPTEMBER 2018

THE ARCHIE FOUNDATION

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 DECEMBER 2017**

	Note	Unrestricted funds £	Designated funds £	Restricted funds £	2017 Total Funds £	2016 Total Funds £
INCOME AND ENDOWMENTS						
FROM:						
Donations and legacies	3	437,926	50	1,242,834	1,680,810	2,172,200
Other trading activities	4	383,445	-	86,993	470,438	1,635,857
Investments	5	14,797	-	-	14,797	14,092
TOTAL		836,168	50	1,329,827	2,166,045	3,822,149
EXPENDITURE ON:						
Raising funds	6	477,382	-	118,109	595,491	919,819
Charitable activities	7	643,639	26,100	1,019,148	1,688,887	2,639,195
TOTAL		1,121,021	26,100	1,137,257	2,284,378	3,559,014
NET MOVEMENT IN FUNDS		(284,853)	(26,050)	192,570	(118,333)	263,135
RECONCILIATION OF FUNDS						
Total funds brought forward	19	785,568	30,487	1,065,953	1,882,008	1,618,873
Total funds carried forward	19	500,715	4,437	1,258,523	1,763,675	1,882,008

The notes on pages 23 to 40 form part of these financial statements.

THE ARCHIE FOUNDATION

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 DECEMBER 2017**

	Note	Unrestricted funds £	Designated funds £	Restricted funds £	2017 Total Funds £	2016 Total Funds £
INCOME AND ENDOWMENTS						
FROM:						
Donations and legacies	3	437,926	50	1,242,834	1,680,810	2,172,200
Other trading activities	4	107,305	-	86,993	194,298	1,338,731
Investments	5	14,797	-	-	14,797	14,092
TOTAL		560,028	50	1,329,827	1,889,905	3,525,023
EXPENDITURE ON:						
Raising funds	6	184,900	-	118,109	303,009	615,782
Charitable activities	7	658,039	26,100	1,019,148	1,703,287	2,657,337
TOTAL		842,939	26,100	1,137,257	2,006,296	3,273,119
NET MOVEMENT IN FUNDS		(282,911)	(26,050)	192,570	(116,391)	251,904
RECONCILIATION OF FUNDS						
Total funds brought forward	19	791,693	30,487	1,065,953	1,888,133	1,636,229
Total funds carried forward	19	508,782	4,437	1,258,523	1,771,742	1,888,133

The company has made no gains or losses other than as reported above.

The notes on pages 23 to 40 form part of these financial statements.

THE ARCHIE FOUNDATION
 COMPANY NUMBER: SC340297
 CONSOLIDATED BALANCE SHEET - 31 DECEMBER 2017

	Note	2017 £	2016 £
FIXED ASSETS			
Tangible fixed assets	12	36,939	46,051
CURRENT ASSETS			
Debtors	14	503,471	296,307
Fixed term bank deposits	15	900,000	1,500,000
Cash at bank and in hand		726,642	304,590
		2,130,113	2,100,897
CREDITORS: amounts falling due within one year	16	403,377	214,940
NET CURRENT ASSETS		1,726,736	1,885,957
CREDITORS: amounts falling due after more than one year	17	-	50,000
NET ASSETS		1,763,675	1,882,008
FUNDS			
Unrestricted	19	508,782	791,693
Funds retained within subsidiary		(8,067)	(6,125)
		500,715	785,568
Designated	19	4,437	30,487
Restricted	19	1,258,523	1,065,953
		1,763,675	1,882,008

Signed on behalf of the Board of Trustees

J MACKIE
 Joseph Mackie
 Chairman

Date: 27 SEPTEMBER 2018

The notes on pages 23 to 40 form part of the financial statements.

THE ARCHIE FOUNDATION
COMPANY NUMBER: SC340297
BALANCE SHEET - 31 DECEMBER 2017

	Note	2017 £	2016 £
FIXED ASSETS			
Tangible fixed assets	12	24,768	28,862
Investments	13	2	2
		<u>24,770</u>	<u>28,864</u>
CURRENT ASSETS			
Debtors	14	517,169	366,006
Fixed term bank deposits	15	900,000	1,500,000
Cash at bank and in hand		660,136	224,485
		<u>2,077,305</u>	<u>2,090,491</u>
CREDITORS: amounts falling due within one year	16	330,333	181,222
		<u>1,746,972</u>	<u>1,909,269</u>
NET CURRENT ASSETS			
		1,746,972	1,909,269
CREDITORS: amounts falling due after more than one year	17	-	50,000
		<u>1,771,742</u>	<u>1,888,133</u>
NET ASSETS			
		<u>1,771,742</u>	<u>1,888,133</u>
FUNDS			
Unrestricted	19	508,782	791,693
Designated	19	4,437	30,487
Restricted	19	1,258,523	1,065,953
		<u>1,771,742</u>	<u>1,888,133</u>

Signed on behalf of the Board of Trustees

J MACKIE
.....
Joseph Mackie
Chairman

Date: 27 SEPTEMBER 2018

The notes on pages 23 to 40 form part of the financial statements.

THE ARCHIE FOUNDATION
CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2017

		2017 £	2016 £
Cash flow from/(used in) operating activities			
Net cash flow from/(used in) operating activities	21	<u>(180,271)</u>	<u>384,914</u>
Cash flow from/(used in) investing activities			
Interest received		14,797	14,092
Purchase of tangible fixed assets		(12,474)	(19,715)
Net cash flow from investing activities		<u>2,323</u>	<u>(5,623)</u>
Increase/(decrease) in cash and cash equivalents in the year		(177,948)	379,291
Cash and cash equivalents at 31 December 2016		1,804,590	1,425,299
Cash and cash equivalents at 31 December 2017		<u><u>1,626,642</u></u>	<u><u>1,804,590</u></u>
Cash and cash equivalents comprise:			
Fixed term bank deposits		900,000	1,500,000
Cash at bank and in hand		726,642	304,590
		<u><u>1,626,642</u></u>	<u><u>1,804,590</u></u>

THE ARCHIE FOUNDATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - 31 DECEMBER 2017

1. ACCOUNTING POLICIES

(a) *Company information*

The ARCHIE Foundation is a private company limited by guarantee, incorporated in Scotland. The registered office is given on page 1 of these financial statements. The nature of the charity's operations and principal activities are set out within the Trustees' Report on page 2.

(b) *Basis of financial statements preparation*

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.

The ARCHIE Foundation 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.

The Statement of Financial Activities (SOFA) and Balance Sheet consolidate the financial statements of the Company and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

(c) *Going concern*

The trustees, having made due and careful enquiry and preparing forecasts, are of the opinion that the company has adequate working capital to execute its operations over the next 12 months. The trustees, therefore, have made an informed judgement, at the time of approving the financial statements, that there is a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. As a result, the trustees have continued to adopt the going concern basis of accounting in preparing the annual financial statements.

(d) *Consolidation*

These financial statements consolidate the accounts of The ARCHIE Foundation and its subsidiary undertaking, Community Cafes Limited.

(e) *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 Company 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.

THE ARCHIE FOUNDATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - 31 DECEMBER 2017

1. ACCOUNTING POLICIES (continued)

(e) *Income*

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.

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 from other trading activities includes income earned from fundraising events and trading activities to raise funds for the charity. Income is received in exchange for supplying goods and services in order to raise funds and is recognised when entitlement has occurred.

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.

(f) *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 Headquarters. 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 charitable activities, 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.

THE ARCHIE FOUNDATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - 31 DECEMBER 2017

1. ACCOUNTING POLICIES (continued)

(g) *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.

(h) *Investments in subsidiaries*

Investments in subsidiaries are valued at cost less provision for impairment.

(i) *Tangible fixed assets and depreciation*

All assets costing more than £1,000 are capitalised.

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 Consolidated 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	25% reducing balance
Fixture, fittings & equipment	25% reducing balance or 4 years straight line
Website	3 years straight line

(j) *Fund accounting*

Unrestricted funds 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.

THE ARCHIE FOUNDATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - 31 DECEMBER 2017

1. ACCOUNTING POLICIES (continued)

(k) *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.

(l) *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 twelve months or less from the date of acquisition or opening of the deposit or similar account.

(m) *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.

(n) *Financial instruments*

The Company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

(o) *Operating leases: the group as lessee*

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

(p) *Pensions*

The group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the group pays fixed contributions into a separate entity. Once the contributions have been paid, the group has no further payment obligations.

The contributions are recognised as an expense in the Statement of Financial Activities when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the group in independently administered funds.

THE ARCHIE FOUNDATION

NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS - 31 DECEMBER 2017

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

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Useful economic life of tangible fixed assets

The annual depreciation charge for tangible fixed assets is sensitive to changes in the useful economic lives and residual values of the assets. Useful lives and residual values are reassessed annually. They are assessed where necessary to reflect current estimates based on economic utilisation and physical condition.

3. INCOME FROM DONATIONS AND LEGACIES

	Group		Charity	
	2017	2016	2017	2016
	£	£	£	£
Attributable to funds as follows:				
Unrestricted	437,926	646,830	437,926	646,830
Designated	50	10,620	50	10,620
	<hr/>	<hr/>	<hr/>	<hr/>
	437,976	657,450	437,976	657,450
Restricted	1,242,834	1,514,750	1,242,834	1,514,750
	<hr/>	<hr/>	<hr/>	<hr/>
	<u>1,680,810</u>	<u>2,172,200</u>	<u>1,680,810</u>	<u>2,172,200</u>

Included within donations are amounts totalling £231,391 (2016: £35,989) in relation to donated goods and services.

THE ARCHIE FOUNDATION

NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS - 31 DECEMBER 2017

4. INCOME FROM OTHER TRADING ACTIVITIES

	Group		Charity	
	2017 £	2016 £	2017 £	2016 £
Fundraising events	194,298	1,338,731	194,298	1,338,731
Trading income from subsidiaries	276,140	297,126	-	-
	<u>470,438</u>	<u>1,635,857</u>	<u>194,298</u>	<u>1,338,731</u>
Attributable to funds as follows:				
Unrestricted	383,445	412,119	107,305	114,993
Restricted	86,993	1,223,738	86,993	1,223,738
	<u>470,438</u>	<u>1,635,857</u>	<u>194,298</u>	<u>1,338,731</u>

5. INCOME FROM INVESTMENTS

	Group		Charity	
	2017 £	2016 £	2017 £	2016 £
Bank interest	<u>14,797</u>	<u>14,092</u>	<u>14,797</u>	<u>14,092</u>

All income from investments was attributable to unrestricted funds.

6. EXPENDITURE ON RAISING FUNDS

	Group		Charity	
	2017 £	2016 £	2017 £	2016 £
Cost of generating donations and legacies	17,738	98,245	17,738	98,245
Cost of fund raising events	285,271	517,537	285,271	517,537
Expenditure of trading subsidiary	292,482	304,037	-	-
	<u>595,491</u>	<u>919,819</u>	<u>303,009</u>	<u>615,782</u>
Attributable to funds as follows:				
Unrestricted	477,382	367,418	184,900	63,381
Restricted	118,109	552,401	118,109	552,401
	<u>595,491</u>	<u>919,819</u>	<u>303,009</u>	<u>615,782</u>

THE ARCHIE FOUNDATION

NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS - 31 DECEMBER 2017

7. EXPENDITURE ON CHARITABLE ACTIVITIES

	Group		Charity	
	2017	2016	2017	2016
	£	£	£	£
Direct costs				
Staff costs	211,547	150,882	211,547	150,882
Grant funding (note 8)	1,162,063	2,115,059	1,176,463	2,133,201
	<u>1,373,610</u>	<u>2,265,941</u>	<u>1,388,010</u>	<u>2,284,083</u>
Support costs				
Staff costs	153,373	231,467	153,373	231,467
Depreciation	10,886	10,543	10,886	10,543
Loss on disposal of assets	2,145	3,002	2,145	3,002
Marketing	22,663	31,767	22,663	31,767
Establishment costs	8,357	6,848	8,357	6,848
Computer and IT	29,452	14,157	29,452	14,157
Office expenditure	33,083	17,172	33,083	17,172
Training and recruitment	15,463	1,942	15,463	1,942
Travel and subsistence	15,448	8,952	15,448	8,952
Audit and accountancy fees	19,017	10,800	19,017	10,800
Professional fees	5,390	36,604	5,390	36,604
	<u>315,277</u>	<u>373,254</u>	<u>315,277</u>	<u>373,254</u>
Total	<u>1,688,887</u>	<u>2,639,195</u>	<u>1,703,287</u>	<u>2,657,337</u>
Attributable to funds as follows:				
Unrestricted funds	643,639	600,517	658,039	618,659
Designated funds	26,100	54,189	26,100	54,189
Restricted funds	1,019,148	1,984,489	1,019,148	1,984,489
	<u>1,688,887</u>	<u>2,639,195</u>	<u>1,703,287</u>	<u>2,657,337</u>

THE ARCHIE FOUNDATION

NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS - 31 DECEMBER 2017

8. ANALYSIS OF GRANTS

	Direct funding £	Grant funding £	Support costs £	2017 £	2016 £
Grants to institutions:					
NHS Grampian	229,470	278,056	33,249	540,775	814,910
ARCHIE Global Surgery	300,930	-	-	300,930	112,279
NHS Tayside	-	250,000	17,232	267,232	750,490
NHS Highland	295	10,591	1,570	12,456	401,285
Other institutions	3,735	-	-	3,735	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Grants to institutions	534,430	538,647	52,051	1,125,128	2,078,964
Grants to individuals	-	36,934	-	36,934	36,095
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total - group	534,430	575,581	52,051	1,162,062	2,115,059
Community Cafes Limited	-	14,400	-	14,400	18,142
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total - charity	534,430	589,981	52,051	1,176,462	2,133,201

Payments in respect of ARCHIE Global Surgery are for the purchase, delivery and installation of equipment at Naguru Hospital, Kampala, Uganda and Mbarra Regional Referral Hospital, Mbarra, Uganda.

9. NET MOVEMENT IN TOTAL FUNDS FOR THE YEAR *is stated after charging:*

	Group		Charity	
	2017 £	2016 £	2017 £	2016 £
Depreciation				
-owned assets	19,473	21,692	10,886	10,543
Operating lease rentals	30,000	30,000	-	-
Auditors' remuneration				
-audit fees	16,165	11,800	14,400	10,800
-tax compliance	1,225	1,150	-	-
-accounting services	5,830	28,450	4,617	28,200

THE ARCHIE FOUNDATION

NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS - 31 DECEMBER 2017

10. STAFF COSTS AND NUMBERS

The average number of persons employed by the Group and Company during the year was as follows:

	Group		Charity	
	2017 £	2016 £	2017 £	2016 £
Average number of employees during the year:				
Fundraising	11	10	11	10
Administration	6	4	6	4
Charitable activity	3	3	3	3
Trustees	11	9	11	9
	<u>31</u>	<u>26</u>	<u>31</u>	<u>26</u>

	Group		Charity	
	2017 £	2016 £	2017 £	2016 £
Staff costs:				
Wages and salaries	509,365	395,518	509,365	395,518
Social security costs	44,989	34,666	44,989	34,666
Pension costs	15,392	-	15,392	-
	<u>569,746</u>	<u>430,184</u>	<u>569,746</u>	<u>430,184</u>

The number of employees who received remuneration during the year in the following ranges were:

	2017 No.	2016 No.
£70,000 - £79,999	-	1
£80,000 - £89,999	<u>1</u>	<u>-</u>

The average number of key management personnel during the year was 4 (2016 - 4)

Key management personnel received remuneration, including employer's national insurance contributions for their services as follows:

	2017 £	2016 £
Key management personnel	<u>222,833</u>	<u>182,777</u>

THE ARCHIE FOUNDATION**NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS - 31 DECEMBER 2017****11. TRUSTEE REMUNERATION**

No directors (or any persons connected with them) received any remuneration or benefits from the company during the current or prior years, except as disclosed in note 23.

During the year expenses of £8,035 (2016 - £12,842) were paid to 4 of the directors in relation to travel costs. This comprised £779 (2016 - £347) paid directly to trustees and £7,256 (2016 - £12,495) paid to third parties for expenses incurred.

12. TANGIBLE FIXED ASSETS

Group	Motor vehicles £	Fixtures & fittings £	Computer equipment £	Total £
Cost				
At 1 January 2017	20,500	83,640	29,208	133,348
Additions	-	3,569	8,905	12,474
Disposals	-	(8,650)	-	(8,650)
Transfer between classes	-	(11,658)	11,658	-
At 31 December 2017	<u>20,500</u>	<u>66,901</u>	<u>49,771</u>	<u>137,172</u>
Depreciation				
At 1 January 2017	14,014	49,537	23,746	87,297
Charge for year	1,622	10,925	6,926	19,473
Disposals	-	(6,537)	-	(6,537)
Transfer between classes	-	(6,110)	6,110	-
At 31 December 2017	<u>15,636</u>	<u>47,815</u>	<u>36,782</u>	<u>100,233</u>
Net book value				
At 31 December 2017	<u>4,864</u>	<u>19,086</u>	<u>12,989</u>	<u>36,939</u>
At 31 December 2016	<u>6,486</u>	<u>34,103</u>	<u>5,462</u>	<u>46,051</u>

THE ARCHIE FOUNDATION

NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS - 31 DECEMBER 2017

12. TANGIBLE FIXED ASSETS (continued)

Charity	Motor vehicles £	Fixtures & fittings £	Computer equipment £	Total £
Cost				
At 1 January 2017	20,500	39,050	29,208	88,758
Additions	-	-	8,905	8,905
Disposals	-	(8,650)	-	(8,650)
Transfer between classes	-	(11,658)	11,658	-
	<u>20,500</u>	<u>18,742</u>	<u>49,771</u>	<u>89,013</u>
At 31 December 2017	20,500	18,742	49,771	89,013
Depreciation				
At 1 January 2017	14,014	22,136	23,746	59,896
Charge for year	1,622	2,338	6,926	10,886
Disposals	-	(6,537)	-	(5,537)
Transfer between classes	-	(6,110)	6,110	-
	<u>15,636</u>	<u>11,827</u>	<u>36,782</u>	<u>64,245</u>
At 31 December 2017	15,636	11,827	36,782	64,245
Net book value				
At 31 December 2017	<u>4,864</u>	<u>6,915</u>	<u>12,989</u>	<u>24,768</u>
At 31 December 2016	<u>6,486</u>	<u>16,914</u>	<u>5,462</u>	<u>28,862</u>

13. FIXED ASSET INVESTMENTS

	Group		Charity	
	2017 £	2016 £	2017 £	2016 £
Investment in subsidiary undertakings	<u>-</u>	<u>-</u>	<u>2</u>	<u>2</u>

The charity owns 100% of the issues ordinary share capital (2 ordinary shares of £1 each) of Community Cafes Limited (CCL), a company incorporated and registered in Scotland (company number SC412593), having its registered office at 18 Queens Road, Aberdeen. The company operates two family friendly cafes in Inverness.

The charity will continue to provide support by providing Community Cafes Limited with sufficient working capital, including deferral of the intercompany creditors where appropriate, to allow them to continue business for the next twelve months from the date of signing of these financial statements.

THE ARCHIE FOUNDATION

NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS - 31 DECEMBER 2017

13. FIXED ASSET INVESTMENTS (continued)

	Charity	
	2017	2016
	£	£
Income	276,140	297,126
Cost of sales	(194,706)	(224,466)
Administration expenses	(97,776)	(79,571)
Contribution from ARCHIE towards charitable activities	14,400	18,142
	<u>(1,942)</u>	<u>11,231</u>

	Charity	
	2017	2016
	£	£
The assets and liabilities of the subsidiary at 31 December were:		
Fixed assets	12,171	17,189
Current assets	72,293	83,124
Creditors: amounts falling due within one year	(92,529)	(106,436)
	<u>(8,065)</u>	<u>(6,123)</u>
Total net liabilities	<u>(8,065)</u>	<u>(6,123)</u>
	<u>(8,065)</u>	<u>(6,123)</u>

14. DEBTORS

	Group		Charity	
	2017	2016	2017	2016
	£	£	£	£
Trade debtors	90,008		86,043	-
Amounts due from subsidiary undertaking	-	-	19,483	72,716
Other debtors	405,216	292,921	403,639	289,904
Prepayments and accrued income	8,247	3,386	8,004	3,386
	<u>503,471</u>	<u>296,307</u>	<u>517,169</u>	<u>366,006</u>

The amounts due from subsidiary undertaking are interest free and repayable on demand.

THE ARCHIE FOUNDATION

NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS - 31 DECEMBER 2017

15. CURRENT ASSET INVESTMENTS

	Group		Charity	
	2017 £	2016 £	2017 £	2016 £
Bank deposits	900,000	1,500,000	900,000	1,500,000

16. CREDITORS: *amounts falling due within one year*

	Group		Charity	
	2017 £	2016 £	2017 £	2016 £
Trade creditors	142,361	-	74,280	-
Amounts due to subsidiary undertakings	-	-	2	2
Other taxation and social security costs	12,995	10,139	12,995	7,989
Accruals and other creditors	248,021	204,801	243,056	173,231
	403,377	214,940	330,333	181,222

17. CREDITORS: *amounts falling due after more than one year*

	Group		Charity	
	2017 £	2016 £	2017 £	2016 £
Accruals and deferred income	-	50,000	-	50,000

18. FINANCIAL INSTRUMENTS

	Group		Charity	
	2017 £	2016 £	2017 £	2016 £
Financial assets				
Financial assets measured at amortised cost	2,121,866	2,097,511	2,069,301	2,087,105

	Group		Charity	
	2017 £	2016 £	2017 £	2016 £
Financial liabilities				
Financial liabilities measured at amortised cost	380,078	182,081	312,597	184,233

THE ARCHIE FOUNDATION
NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS - 31 DECEMBER 2017
19. FUNDS

	At 1 January 2017 £	Income £	Expenditure £	Transfers £	At 31 December 2017 £
Charity					
Restricted funds					
Angela Monica Fund	25,279	832	(2,678)	-	23,433
ARCHIE Global Surgery	(43,852)	363,689	(303,326)	-	16,511
Dr Gray's Children's Ward	16,973	862	(480)	-	17,355
Friends of Special Nursery	543,629	308,015	(279,997)	-	571,647
Royal Aberdeen Children's Hospital 10 year Appeal	195,160	109,066	(112,408)	74,900	266,718
Tayside Appeal	147,573	374,693	(308,121)	-	214,145
Highland Appeal	(19,297)	90,287	(58,793)	-	12,197
Highland Appeal - Fresh Air	-	30,827	(10,572)	-	20,255
Fairy Box	-	18,760	(18,965)	-	(205)
Parent Accommodation Suite	2,742	10,396	(12,391)	-	747
	<u>868,207</u>	<u>1,307,427</u>	<u>(1,107,731)</u>	<u>74,900</u>	<u>1,142,803</u>
Other restricted funds	197,746	22,400	(29,526)	(74,900)	115,720
Total restricted funds	<u>1,065,953</u>	<u>1,329,827</u>	<u>(1,137,257)</u>	<u>-</u>	<u>1,258,523</u>
Designated funds					
Family Support Day Swan	1,556	-	(1,556)	-	-
Pain Nurse	28,346	50	(23,200)	-	5,196
Renal Equipment	585	-	(585)	-	-
Computer for X-ray	-	-	(759)	-	(759)
Total designated funds	<u>30,487</u>	<u>50</u>	<u>(26,100)</u>	<u>-</u>	<u>4,437</u>
Total unrestricted funds	<u>791,693</u>	<u>560,028</u>	<u>(842,939)</u>	<u>-</u>	<u>508,782</u>
Total funds - charity	<u>1,888,133</u>	<u>1,889,905</u>	<u>(2,006,296)</u>	<u>-</u>	<u>1,771,742</u>
Group					
Unrestricted funds - charity	791,693	560,028	(842,939)	-	508,782
Funds retained within subsidiary	(6,125)	276,140	(278,082)	-	(8,067)
Unrestricted Funds - group	<u>785,568</u>	<u>836,168</u>	<u>(1,121,021)</u>	<u>-</u>	<u>500,715</u>
Designated funds	30,487	50	(26,100)	-	4,437
Restricted funds	1,065,953	1,329,827	(1,137,257)	-	1,258,523
	<u>1,882,008</u>	<u>2,166,045</u>	<u>(2,284,378)</u>	<u>-</u>	<u>1,763,675</u>

THE ARCHIE FOUNDATION
NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS - 31 DECEMBER 2017
19. FUNDS (Continued)

	At 1 January 2016 £	Income £	Expenditure £	Transfers £	At 31 December 2016 £
Charity					
Restricted funds					
Angela Monica Fund	48,280	-	(23,001)	-	25,279
ARCHIE Global Surgery	10,122	97,402	(151,376)	-	(43,852)
Dr Gray's Children's Ward	25,157	4,272	(12,456)	-	16,973
Friends of Special Nursery	-	606,385	(62,756)	-	543,629
Royal Aberdeen Children's Hospital 10 year Appeal	444,692	251,673	(501,205)	-	195,160
Tayside Appeal	86,040	1,392,702	(1,331,169)	-	147,573
Highland Appeal	51,553	339,384	(410,234)	-	(19,297)
	<u>665,844</u>	<u>2,691,818</u>	<u>(2,492,197)</u>	<u>-</u>	<u>865,465</u>
Other restricted funds	198,511	46,670	(44,693)	-	200,488
Total restricted funds	<u>864,355</u>	<u>2,738,488</u>	<u>(2,536,890)</u>	<u>-</u>	<u>1,065,953</u>
Designated funds					
Family Support Day Swan	1,556	-	-	-	1,556
Interactive Tool	1,200	-	-	(1,200)	-
Operating Reserve	250,000	-	-	(250,000)	-
Pain Nurse	40,250	10,620	(36,909)	14,385	28,346
Play Leader Extension	16,231	-	(17,280)	1,049	-
Renal Equipment	585	-	-	-	585
Vest for Airway Clearance	795	-	-	(795)	-
Total designated funds	<u>310,617</u>	<u>10,620</u>	<u>(54,189)</u>	<u>(236,561)</u>	<u>30,487</u>
Total unrestricted funds	<u>461,257</u>	<u>775,915</u>	<u>(682,040)</u>	<u>236,561</u>	<u>791,693</u>
Total funds - charity	<u>1,636,229</u>	<u>3,525,023</u>	<u>(3,273,119)</u>	<u>-</u>	<u>1,888,133</u>
Group					
Unrestricted funds - charity	461,257	775,915	(682,040)	236,561	791,693
Funds retained within subsidiary	(17,356)	297,126	(285,895)	-	(6,125)
Unrestricted Funds - group	<u>443,901</u>	<u>1,073,041</u>	<u>(967,935)</u>	<u>236,561</u>	<u>785,568</u>
Designated funds	310,617	10,620	(54,189)	(236,561)	30,487
Restricted funds	<u>864,355</u>	<u>2,738,488</u>	<u>(2,536,890)</u>	<u>-</u>	<u>1,065,953</u>
	<u>1,618,873</u>	<u>3,822,149</u>	<u>(3,559,014)</u>	<u>-</u>	<u>1,882,008</u>

THE ARCHIE FOUNDATION

NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS - 31 DECEMBER 2017

19. FUNDS (continued)

Restricted funds are specifically for departments or cases and can only be used for that specified fund. The most significant funds are used for the following purposes:

Angela Monica Fund

This fund was set up for the restricted purposes of supporting children with clubfoot and/or research into clubfoot.

ARCHIE Global Surgery

This is a restricted fund with the purpose of supporting the development of dedicated paediatric operating theatres in low and middle income countries.

Dr Gray's Children's Ward

This relates to fundraising for the refurbishment of the children's ward at Dr Gray's Hospital in Elgin.

Friends of Special Nursery

The Friends of Special Nursery fund relates to funds transferred from the Friends of the Special Nursery, a Scottish charity, upon cessation of that charity. These funds are to be used to promote the establishment, maintenance and management of a continuing support group to parents, in Grampian and environs, with babies in the Special Nursery at Aberdeen Maternity Hospital.

Royal Aberdeen Children's Hospital 10 year Appeal

This relates to donations received towards the fundraising appeal to mark ten years since the Royal Aberdeen Children's Hospital opened. The fund encompasses several sub-funds within it, which have specific objectives. Several of the pre-existing restricted donations, which fell into these objects, were amalgamated with this fund in earlier years.

Tayside Appeal

The Tayside Appeal was launched in November 2014 to raise funds for the Tayside Children's Hospital.

Highland Appeal

The Highland Appeal comprises funds raised for the development of the Highland Children's Unit in Inverness.

Highland Appeal - Fresh Air

This appeal was set up to create outdoor space and play areas at the Children's Highland Unit at Raigmore.

Fairy Box

The Fairy Box fund relates to funds transferred from Fairy Box, a Scottish charity, upon cessation of that charity. These funds are to be used to purchase toys for the "Fairy Boxes" placed at hospitals throughout Scotland. When a child has been brave or needs cheering up during a hospital stay, the hospital staff will take the child to choose a toy from the Fairy Box.

THE ARCHIE FOUNDATION

NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS - 31 DECEMBER 2017

19. FUNDS (continued)

Parent Accommodation Suite

This is a restricted fund with the purpose of running and the maintenance of the Parent's Accommodation Suite at the Royal Aberdeen Children's Hospital. The onsite accommodation allows parents to remain close by when their child is in hospital overnight, especially when the hospital is not in easy reach of home.

20. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds £	Designated funds £	Restricted funds £	Total Funds £
Group				
Fixed assets	36,939	-	-	36,939
Net current assets	463,776	4,437	1,258,523	1,726,736
	<u>500,715</u>	<u>4,437</u>	<u>1,258,523</u>	<u>1,763,675</u>
Charity				
Fixed assets	24,770	-	-	24,770
Net current assets	484,012	4,437	1,258,523	1,746,972
	<u>508,782</u>	<u>4,437</u>	<u>1,258,523</u>	<u>1,771,742</u>

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

	2017 £	2016 £
Net income/(expenditure) for the year (as per statement of financial activities)	(118,333)	263,135
Adjustment for:		
Depreciation charges	19,473	21,692
Loss on disposal of fixed assets	2,113	3,002
Interest received	(14,797)	(14,092)
(Increase)/decrease in debtors	(207,164)	99,191
Increase in creditors	138,437	11,986
Net cash flows from/(used in) operating activities	<u>(180,271)</u>	<u>384,914</u>

THE ARCHIE FOUNDATION**NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS - 31 DECEMBER 2017****22. COMMITMENTS UNDER OPERATING LEASES**

At 31 December 2017 the group had future minimum lease payments under non-cancellable operating leases as follows:

	Group	
	2017	2016
	£	£
Not later than 1 year	30,000	30,000
Later than 1 year and not later than 5 years	5,000	35,000
	<u>35,000</u>	<u>65,000</u>

23. RELATED PARTY TRANSACTIONS

Throughout the year the Group was controlled by the Board of Trustees.

The charity has taken advantage of the exemption contained in Financial Reporting Standard 102 from disclosing transactions with parties wholly owned within the same group.

During the year the company had the following transactions with related parties:

Related party	Detail	Transaction value £	Balance at year end £
Kevin McCormick Consultancy (Aberdeen) Limited, a company of which Kevin McCormick, one of the trustees is a director and shareholder	Marketing, consultancy, including travel expenses	35,637	-

24. LEGAL STATUS

The Archie Foundation is a company limited by guarantee and not having a share capital. The members' liability in the event of winding up is limited by guarantee not exceeding £1 per member.