



**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 2018

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

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THE ARCHIE FOUNDATION
LEGAL AND ADMINISTRATIVE INFORMATION

TRUSTEES

Joseph Mackie, Chairman
John Findlay (resigned 21 March 2019)
Professor George Youngson CBE (resigned 21 March 2019)
Christopher Driver
Kirsty Cox
Barbara Jones
Fiona Willox (appointed 29 March 2018)
Carol Munro (appointed 29 March 2018)
Robert Anderson (appointed 12 March 2018)
Mary Nimmo (appointed 27 September 2018)
Derek King (appointed 21 March 2019)
Anne Bone (appointed 21 March 2019)
Annie Robertson (resigned 29 March 2018)
Laura Gray (resigned 29 March 2018)
Hazel Whyte (appointed 27 September 2018)
Kevin McCormack (resigned 17 September 2018)
Sue Swift (resigned 17 September 2018)

COMPANY SECRETARY

Mackinnons

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

Mackinnons
14 Carden Place
ABERDEEN
AB10 1UR

**THE ARCHIE FOUNDATION
TRUSTEES' ANNUAL REPORT**

The Trustees present their report and accounts for the year ended 31 December 2018.

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 'Making A 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 very closely in partnership with the NHS in Grampian, Highland and Tayside.

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 nearly always more positive.

In 2018, we captured the support and imagination of children and families across Scotland as we generated a total income of over £2,570,000 and successfully delivered a range of projects and support that transformed the experience of being in hospital for close to 200,000 children across our region.

We have also through our ARCHIE Global Surgery project continued to provide high quality and often life-saving surgical facilities for almost 1000 children in Naguru Hospital in Kampala and in Mbarara Uganda.

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.

THE ARCHIE FOUNDATION TRUSTEES' ANNUAL REPORT

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

Selecting highlights for inclusion in this report is so incredibly difficult and it would be better to list all the children and families that have benefitted from our support. They are after all at the very core of what we do. It has been a very special year across the region. In the Royal Aberdeen Children's Hospital, we completed the redevelopment of the reception area within the High Dependency Unit and held our very first Battle of the Badges event where the mascots simply glowed from their involvement. In addition, and through our Friends of the Neonatal Unit stream we commenced our £2 million fundraising campaign in support of the proposed new Baird Family Hospital in Aberdeen. In Tayside we continued to fundraise for the new and much needed Twin Operating Theatre at Ninewells Hospital and held a very successful Tayside Spring Ball. In the Highlands our first ever Moonlight Ball allowed us to successfully complete the fundraising for the Fresh Air Project - allowing the development of themed gardens around the Children's Ward at Raigmore. The ARCHIE Foundation also entered into partnership with the Glasgow Children's Hospital Charity, the Edinburgh Children's Hospital Charity, Wild in Art and DC Thomson to develop and coordinate Scotland's first ever nationwide art trail (Oor Wullie's Big Bucket Trail) with the ambition and intention of raising the profile of children's hospital charities across Scotland whilst enabling a significant income to be generated at the same time.

In 2018 both the Inverness Fundraising Committee and the Tayside Fundraising Committee continued to take a 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 advising, organising and often running our events whilst raising our profile in the communities we serve.

In Tayside we held our first ever Spring Ball and over 200 guests enjoyed a highly successful evening supporting our fundraising ambitions for the proposed new and transformational Children's Twin Operating Theatre at Ninewells. In partnership with Dundee's Leisure and Culture team we built on the enormous success of the 2017 event and delivered another enjoyable "Santa Dash" that saw around 500 "Santa's" of all ages and styles running through the city raising substantial funds for the Twin Operating Theatre at Ninewells.

In Inverness, our Highlands Fundraising Committee continued 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. Our first ever Moonlight Ball was a huge success and alongside a very special Golf Day enabled our fundraising target for the project to be achieved. This much needed project will when delivered 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 first gardens will be opened in 2019.

The Friends of the Neonatal Committee, an important and integral 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 2018 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 Battle of the Badges - at this event Police Scotland played Scottish Fire and Rescue at football and the mascots from the Royal Aberdeen Children's Hospital had a truly memorable day. Our second Storybook Ball was held alongside our Abseil and ARCHIE's Adrenalin Drop.

National campaigns were held, and these included our winter Beards for Bairns campaign encouraging beards of various styles and significance to be grown in support of sick children across the region. We also held a very successful China Trek raising significant funds for the charity as participants enjoyed the challenge provided by the Great Wall of China. We were very grateful for all the support we received from all of those who engaged with us over the year. They have helped us to make such a difference to sick children.

THE ARCHIE FOUNDATION TRUSTEES' ANNUAL REPORT

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

2018 has seen The ARCHIE Foundation focus its activities and ambitions within Scotland and reinvigorated our desire to generate a larger footprint particularly in the north and north east. Partnerships have been developed with the children's charities in Glasgow and Edinburgh as we gear up for Oor Wullie's Big Bucket Trail. In addition, the planning and fundraising has begun for the development of the Baird Family Hospital and the ANCHOR Centre. Once more we are working in partnership with Aberdeen University, the NHS and with 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 in the future 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 and East of Scotland or supporting 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.

ACHIEVEMENTS AND PERFORMANCE

In 2018 the charity exceeded its fundamental objectives and successfully delivered on several fronts. Many projects met their objectives, including the completion of the upgrade of the reception area within the High Dependency Unit within the Royal Aberdeen Children's Hospital. In addition, the ARCHIE Foundation entered into partnerships regarding Oor Wullie's Big Bucket Trail and The Baird Family Hospital campaign.

Fundraising activities and events in Grampian, 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 2018.

The need to react positively to the 'here and now' is never far away in a children's hospital environment. In 2018, The ARCHIE Foundation achieved this in several ways including:

1. The 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 is planned to upgrade this facility on a rolling basis through 2019.
2. The 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. 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.

**THE ARCHIE FOUNDATION
TRUSTEES' ANNUAL REPORT**

ACHIEVEMENTS AND PERFORMANCE (continued)

5. Funding of the coordinator of the Grampian Child Bereavement Network 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. The ARCHIE Foundation has provided support to the Grampian Child Bereavement Network for 7 years and whilst the support of this service is fundamental the mechanism for providing that support is in the process of being reviewed.
6. 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 180 grants totalling £46,756 were made in 2018 with an average value of £259.75 to help families from across the North and North East of Scotland as they coped with their child being in hospital or undertaking some form of treatment.
7. We supported the cost of 71 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 support cost £27,612 at an average value of £388.90. This level of support is invaluable and would not have happened without the support of The ARCHIE Foundation
8. Through our Fairybox operation the provision of toys to the Royal Aberdeen Children's Hospital, Tayside Children's Hospital and children's units in Inverness and Elgin.
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 requirements of those in real and immediate need.
11. Funding of administration support for the Child Adolescent Mental Health Service (CAMHS) to enable them to provide support for adolescents with eating disorders.
12. Funding of a Clinical Psychologist for the Neonatal Unit to enhance parental support during unforeseen and sometimes worrying events supporting neonatal babies.

'Making a Difference' Internationally

The ARCHIE Foundation designed and opened Uganda's first dedicated children's operating theatre and surgical ward in 2015. We built on that success through the creation of the country's second dedicated paediatric operating theatre suite, the next 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.

In 2017 it was agreed to separate the future provision of ARCHIE Global Surgery from The ARCHIE Foundation. The charity does however continue to support, maintain and closely liaise with the initial two units in Uganda. ARCHIE's 'twin-hospitals' in the region strengthen local communities through the provision of safe surgery and can allow for the exchange of staff between Scotland and Uganda improving knowledge, relationships and the communities we support. 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 will continue to develop our 'up-stream' 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 assist reduce future requirement. We also continue to work closely in partnership with the NHS in Grampian, Tayside and the Highlands to raise funds to assist agreed upgrades of the Royal Aberdeen Children's Hospital, the Highland Children's Unit in Inverness and for the Twin Operating theatre in Tayside.

**THE ARCHIE FOUNDATION
TRUSTEES' ANNUAL REPORT****ACHIEVEMENTS AND PERFORMANCE (continued)****'Making the Difference' tomorrow too (continued)**

As NHS budgets tighten and priorities change and evolve then there is an increasing need for The ARCHIE Foundation to be innovative, solution focused and forward looking in our approach. Partnerships are vital as is the support of the corporate sector and communities within the region as we seek to deliver excellence today, tomorrow and thereafter.

ARCHIE VENTURES LTD IN 2018

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 faced many challenges and children from the area were 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, was in the heart of the community and was 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. Unfortunately, this café although providing an essential service never managed to become self-sustaining and in 2018 it was felt that running a loss-making café was not in the best interests of The ARCHIE Foundation and its supporters. The café and all the equipment and soft play facilities has been left to the local community and continues to operate and provide service but no longer as part of the ARCHIE Foundation family.

The ARCHIE café in the Eastgate Shopping Centre in Inverness operates in a more commercially viable location with the intention of generating income for the charity. In line with expectations, this café experienced a successful trading year in 2018 and operated at a very high standard. The cafe allows the ARCHIE Highland brand to be further recognised within the heart of the Inverness community and this is incredibly important.

In 2018 The ARCHIE Foundation took on a one-year lease of the Tempo community café from the Bon Accord shopping centre in Aberdeen. Whilst providing a useful service and competitive offer to local supporters and families it was felt that the specific ambition of the Tempo café did not meet the financial or branding expectations of the charity and the lease was not extended.

In 2018 and to reflect the evolving nature of The ARCHIE Foundation's current and future trading activities, Community Café's was re named as ARCHIE Ventures Ltd. Oor Wullie's Big Bucket Trail will form a major part of ARCHIE Ventures trading activities throughout 2019.

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 to allow growth into the Highlands, growth into Tayside and 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 Wood joined The ARCHIE Foundation as its Chief Executive in March 2018. David Downie, currently Director of Business Services, operated as interim Chief Executive prior to the appointment of David Wood.

THE ARCHIE FOUNDATION TRUSTEES' ANNUAL REPORT

STRUCTURE AND GOVERNANCE (continued)

The Board has four Committees reporting to it:

- The Clinical Advisory Committee
- The Finance & Governance Committee
- The International Development Committee
- The Friends of the Neonatal Unit Committee

The Clinical Advisory Committee, which has NHS staff members, parent representation and non-trustees as members, reviews all charitable applications over £1,000 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 health related 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 health-related work internationally.

The Friends of the Neonatal Unit Committee reviews all applications seeking support of over £500. The Committee has non-trustees serving on it and makes recommendations on the suitability of the applications to the Trustees. 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 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 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 a subsequent 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 2017 by a Trustee, Kevin McCormick. As of 31 December 2018, there were a mix of NHS and non-NHS Trustees on the Board with a majority being non-NHS members.

**THE ARCHIE FOUNDATION
TRUSTEES' ANNUAL REPORT**

TRUSTEES (continued)

During 2018, the following served as Trustees of the charity and as directors of the company. The Committees they served on are also shown:

Trustee	Board	Board Attendance	Finance & Governance	Clinical Advisory	International Development	Friends of the Neonatal Unit
Joe Mackie	C	4/4	C		x	
Laura Gray	V	1/1				
Chris Driver	x	3/4	x	C		
Kirsty Cox	x	2/4				C
George Youngson	x	3/4	x		C	
Barbara Jones	x	2/4				
John Findlay	x	4/4	x			
Sue Swift	x	1/2		x	x	
Kevin McCormick	x	0/2				
Annie Robertson	x	0/1				x
Fiona Willox	x	2/3				x
Carol Munro	x	3/4	x			
Robert Anderson	x	3/4	x			
Mary Nimmo	x	2/3				
Hazel Whyte	x	0/1		x		

C - Chair

V - Vice-Chair

In 2018, there were 4 board meetings with the Trustees attending the number of meetings noted above (attended/eligible to attend). Dates of appointment and resignation as Trustee are noted on page 1.

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;
- 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 Accommodation Suite, 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 £1k 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 normally 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 as well.

2018 FINANCIAL PERFORMANCE

In 2018, our financial performance was very much in line with expectations. Our overall income of £2.571m was significantly higher than 2017 and this reflected the increased nature of the ARCHIE Foundation's portfolio of major projects during the year. The expectation is that with Oor Wullie's Big Bucket Trail taking place in 2019 that income will increase further.

Income in 2018 was driven by a number of factors and events. Our portfolio of events generated significant income in all regions. Our three "Balls", one in each region, proved successful and we benefitted from a great deal of community and corporate support. Our partnership with the Chester Hotel provided an excellent financial benefit to The Friends of the Neonatal Unit and this was hugely appreciated. The Tayside Fundraising Committee organised and oversaw the first ever Tayside Spring Ball and the Santa Dash with around 500 "Santas" of all ages running through the centre of Dundee and all to the benefit of The ARCHIE Foundation. The Inverness Fundraising Committee worked tirelessly to attract many donations for the Fresh Air appeal and the Moonlight Ball was a huge success. In addition, we received a great deal of support from Trusts and Foundations for several of our key strategic campaigns.

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

2018 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 £2,570,775 (2017 - £2,166,045) and expenditure equalled £2,415,088 (2017 - £2,284,378). This income level met expectations for 2018 and will allow for the continuation of delivery of a wide range of projects in 2019.

In 2018 there was net surplus of £155,687 (2017 - deficit of £118,333), which was welcomed given the range of projects that we had committed to complete within the financial year.

Total funds at 31 December 2018 totalled £1,919,362 of which £1,839,129 are restricted funds (funds received that are restricted by the donor for a specific purpose), and £80,233 that are unrestricted.

Of the many funds operated by the charity, shown in note 18, there was no fund showing any significant deficit. In addition, during 2018 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 £300,000 should be worked towards over the next 2 years, to allow provision for four months operating costs of the organisation being retained by the charity as part of its reserves.

The intent for 2019 is to re-establish close to this level of provision from the budgeted surplus of the Oor Wullie Bucket Trail.

The free reserves of the group, after allowing for funds tied up in tangible fixed assets and designated funds, is £51,984 (2017 - £463,776).

Further reserves relate to projects not yet ready for installation or not yet fully delivered.

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 apply a low risk strategy for the organisation in terms of financial investment and for project related expenditures. The Trustees review the Risk Register on a quarterly basis.

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, this would include any capital projects not yet ready for installation or not yet fully delivered.

**THE ARCHIE FOUNDATION
TRUSTEES' ANNUAL REPORT**

INVESTMENT POLICY

The Trustees opt 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 £8,819 was down on the previous year (£14,797). 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 2019 are:

- To complete the appeal for the Twin Operating Theatre in Tayside and raise the remainder of the £2.0 million that we have agreed to contribute.
- To work with NHS Tayside and the Tayside Programme Board to take forward the final design of the Tayside Children's Hospital.
- To work closely with the Edinburgh and Glasgow Children's Hospital charities, DC Thomson and Wild in Art to maximise the potential and outreach of Oor Wullie's Big Bucket Trail.
- To work closely with NHS Grampian, develop a comprehensive fundraising strategy for the Baird Family Hospital and work closely in partnership with Friends of Anchor, Aberdeen University and NHS Endowments to realise the project.
- To continue to work with the Tayside and Highland Fundraising Committees and to ensure that the fundraising priorities for all regions are aligned and realised.
- To complete projects within the Royal Aberdeen Children's Hospital, including the Parent's Accommodation suite upgrade.
- To continue to integrate Fairy Box within The ARCHIE Foundation 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 Neonatal Unit Committee to ensure that fundraising objectives are realised and that the Neonatal Unit receives 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 new, exciting and innovative events across The ARCHIE Foundation that enhance the brand whilst delivering income to support sick children within each region.
- To increase the level of community and corporate support across all areas of the The ARCHIE Foundation.
- 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.
- To continue to operate our cafe and look to enhance the level of profit back into the charity for use within the children's health service.
- To further increase our volunteer and Friends base, to allow us to sustain and enhance our drive for high quality and standards of performance with as low a cost base as is appropriate.

THE ARCHIE FOUNDATION TRUSTEES' ANNUAL REPORT

CONNECTED BODIES

Archie Ventures Limited is a wholly owned subsidiary company which operates one family friendly cafe in Inverness. The cafe is designed to be run as a commercial operation with the intention of being welcoming to families and customers with young children. Archie Ventures Limited has a registered office address of 14 Carden Place, Aberdeen, AB10 1UR - that of our solicitors.

RELATIONSHIP BETWEEN THE CHARITY AND RELATED PARTIES

Archie Ventures Limited was set up as a subsidiary trading company of the charity and donates its profits to the charity. One trustee, Joe Mackie (Chairman), and one former trustee, John Findlay are directors of Archie Ventures Limited.

The following individuals who were trustees of the Archie Foundation for the period, or part of the period, are employees of NHS Grampian:

- Chris Driver
- Fiona Willox
- Annie Robertson
- Hazel Whyte
- Sue Swift
- Laura Gray

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.



.....
Joseph Mackie
Chairman

Date: *26th September 2019*

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.

THE ARCHIE FOUNDATION

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 2018 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 2018 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.

THE ARCHIE FOUNDATION

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.

THE ARCHIE FOUNDATION

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.

Anderson Anderson & Brown Audit LLP

Derek S Mair
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 2019*

THE ARCHIE FOUNDATION
**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Note	Unrestricted funds £	Designated funds £	Restricted funds £	2018 Total Funds £	2017 Total Funds £
INCOME AND ENDOWMENTS FROM:						
Donations and legacies	3	497,745	-	1,188,150	1,685,895	1,680,810
Other trading activities	4	587,607	-	288,454	876,061	470,438
Investments	5	8,815	-	4	8,819	14,797
TOTAL		1,094,167	-	1,476,608	2,570,775	2,166,045
EXPENDITURE ON:						
Raising funds	6	737,280	-	208,024	945,304	595,491
Charitable activities	7	781,806	-	687,978	1,469,784	1,688,887
TOTAL		1,519,086	-	896,002	2,415,088	2,284,378
NET INCOME/EXPENDITURE						
Transfer between funds		(424,919)	-	580,606	155,687	(118,333)
Net movements in funds		4,437	(4,437)	-	-	-
		(420,482)	(4,437)	580,606	155,687	(118,333)
RECONCILIATION OF FUNDS						
Total funds brought forward	18	500,715	4,437	1,258,523	1,763,675	1,882,008
Total funds carried forward	18	80,233	-	1,839,129	1,919,362	1,763,675

The notes on pages 23 to 41 form part of these financial statements.

THE ARCHIE FOUNDATION
STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 DECEMBER 2018

	Note	Unrestricted funds £	Designated funds £	Restricted funds £	2018 Total Funds £	2017 Total Funds £
INCOME AND ENDOWMENTS FROM:						
Donations and legacies	3	497,745	-	1,188,150	1,685,895	1,680,810
Other trading activities	4	176,967	-	288,454	465,421	194,298
Investments	5	8,815	-	4	8,819	14,797
TOTAL		683,527	-	1,476,608	2,160,135	1,889,905
EXPENDITURE ON:						
Raising funds	6	299,663	-	208,024	507,687	303,009
Charitable activities	7	796,206	-	687,978	1,484,184	1,703,287
TOTAL		1,095,869	-	896,002	1,991,871	2,006,296
NET INCOME/EXPENDITURE		(412,342)	-	580,606	168,264	(116,391)
Transfer between funds		4,437	(4,437)	-	-	-
NET MOVEMENT IN FUNDS		(407,905)	(4,437)	580,606	168,264	(116,391)
RECONCILIATION OF FUNDS						
Total funds brought forward	18	508,782	4,437	1,258,523	1,771,742	1,888,133
Total funds carried forward	18	100,877	-	1,839,129	1,940,006	1,771,742

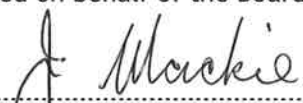
The company has made no gains or losses other than as reported above.

The notes on pages 23 to 41 form part of these financial statements.

THE ARCHIE FOUNDATION
 COMPANY NUMBER: SC340297
 CONSOLIDATED BALANCE SHEET - 31 DECEMBER 2018

	Note	2018 £	2017 £
FIXED ASSETS			
Tangible fixed assets	12	28,249	36,939
CURRENT ASSETS			
Debtors	14	616,391	503,471
Current asset investments	15	1,401,855	900,000
Cash at bank and in hand		425,597	726,642
		<u>2,443,843</u>	<u>2,130,113</u>
CREDITORS: amounts falling due within one year	16	552,730	403,377
		<u>1,891,113</u>	<u>1,726,736</u>
NET CURRENT ASSETS			
		<u>1,919,362</u>	<u>1,763,675</u>
NET ASSETS			
FUNDS			
Unrestricted	18	100,877	508,782
Funds retained within subsidiary	18	(20,644)	(8,067)
		80,233	500,715
Designated	18	-	4,437
Restricted	18	1,839,129	1,258,523
		<u>1,919,362</u>	<u>1,763,675</u>

Signed on behalf of the Board of Trustees



 Joseph Mackie
 Chairman

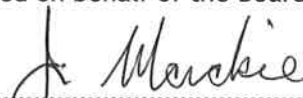
Date: 26th September 2019

The notes on pages 23 to 41 form part of the financial statements.

THE ARCHIE FOUNDATION
 COMPANY NUMBER: SC340297
 BALANCE SHEET - 31 DECEMBER 2018

	Note	2018 £	2017 £
FIXED ASSETS			
Tangible fixed assets	12	15,188	24,768
Investments	13	2	2
		<u>15,190</u>	<u>24,770</u>
CURRENT ASSETS			
Debtors	14	583,929	517,169
Fixed term bank deposits	15	1,401,855	900,000
Cash at bank and in hand		400,682	660,136
		<u>2,386,466</u>	<u>2,077,305</u>
CREDITORS: amounts falling due within one year	16	461,650	330,333
		<u>1,924,816</u>	<u>1,746,972</u>
NET CURRENT ASSETS		<u>1,940,006</u>	<u>1,771,742</u>
NET ASSETS		<u>1,940,006</u>	<u>1,771,742</u>
FUNDS			
Unrestricted	18	100,877	508,782
Designated	18	-	4,437
Restricted	18	1,839,129	1,258,523
		<u>1,940,006</u>	<u>1,771,742</u>

Signed on behalf of the Board of Trustees



 Joseph Mackie
 Chairman

Date: 26th September 2019

The notes on pages 23 to 41 form part of the financial statements.

THE ARCHIE FOUNDATION
CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2018

		2018 £	2017 £
Cash flow from/(used in) operating activities			
Net cash flow from/(used in) operating activities	20	<u>198,418</u>	<u>(180,271)</u>
Cash flow from/(used in) investing activities			
Interest received		8,819	14,797
Purchase of tangible fixed assets		(12,771)	(12,474)
Proceeds from sales of tangible fixed assets		<u>6,344</u>	<u></u>
Net cash flow from investing activities		<u>2,392</u>	<u>2,323</u>
Increase/(decrease) in cash and cash equivalents in the year		200,810	(177,948)
Cash and cash equivalents at 31 December 2017		<u>1,626,642</u>	<u>1,804,590</u>
Cash and cash equivalents at 31 December 2018		<u><u>1,827,452</u></u>	<u><u>1,626,642</u></u>
Cash and cash equivalents comprise:			
Fixed term bank deposits		1,401,855	900,000
Cash at bank and in hand		<u>425,597</u>	<u>726,642</u>
		<u><u>1,827,452</u></u>	<u><u>1,626,642</u></u>

THE ARCHIE FOUNDATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - 31 DECEMBER 2018

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, Archie Ventures 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 2018

1. ACCOUNTING POLICIES (continued)

(e) *Income* (continued)

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 2018

1. ACCOUNTING POLICIES (continued)

(g) *Taxation*

The Company is considered to pass the tests set out in Schedule 6, Part 1 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 Part 11, Chapter 3 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 2018

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 2018

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	
	2018	2017	2018	2017
	£	£	£	£
Attributable to funds as follows:				
Unrestricted	497,745	437,926	497,745	437,926
Designated	-	50	-	50
	<u>497,745</u>	<u>437,976</u>	<u>497,745</u>	<u>437,976</u>
Restricted	1,188,150	1,242,834	1,188,150	1,242,834
	<u>1,685,895</u>	<u>1,680,810</u>	<u>1,685,895</u>	<u>1,680,810</u>

Included within donations are amounts totalling £248,000 (2017: £231,391) in relation to donated goods and services.

THE ARCHIE FOUNDATION

NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS - 31 DECEMBER 2018

4. INCOME FROM OTHER TRADING ACTIVITIES

	Group		Charity	
	2018 £	2017 £	2018 £	2017 £
Fundraising events	465,421	194,298	465,421	194,298
Trading income from subsidiaries	410,640	276,140	-	-
	<u>876,061</u>	<u>470,438</u>	<u>465,421</u>	<u>194,298</u>
Attributable to funds as follows:				
Unrestricted	587,607	383,445	176,967	107,305
Restricted	288,454	86,993	288,454	86,993
	<u>876,061</u>	<u>470,438</u>	<u>465,421</u>	<u>194,298</u>

5. INCOME FROM INVESTMENTS

	Group		Charity	
	2018 £	2017 £	£	2017 £
Bank interest	8,819	14,797	8,819	14,797
Attributable to funds as follows:				
Unrestricted	8,815	14,797	8,815	14,797
Restricted	4	-	4	-
	<u>8,819</u>	<u>14,797</u>	<u>8,819</u>	<u>14,797</u>

6. EXPENDITURE ON RAISING FUNDS

	Group		Charity	
	2018 £	2017 £	2018 £	2017 £
Cost of generating donations and legacies	18,356	17,738	18,356	17,738
Cost of fund raising events	455,152	285,271	489,331	285,271
Expenditure of trading subsidiary	471,796	292,482	-	-
	<u>945,304</u>	<u>595,491</u>	<u>507,687</u>	<u>303,009</u>
Attributable to funds as follows:				
Unrestricted	737,280	477,382	299,663	184,900
Restricted	208,024	118,109	208,024	118,109
	<u>945,304</u>	<u>595,491</u>	<u>507,687</u>	<u>303,009</u>

THE ARCHIE FOUNDATION

NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS - 31 DECEMBER 2018

7. EXPENDITURE ON CHARITABLE ACTIVITIES

	Group		Charity	
	2018	2017	2018	2017
	£	£	£	£
Direct costs				
Staff costs	206,169	211,547	206,169	211,547
Grant funding (note 8)	867,599	1,162,063	881,998	1,176,463
	<u>1,073,768</u>	<u>1,373,610</u>	<u>1,088,167</u>	<u>1,388,010</u>
Support costs				
Staff costs	260,899	153,373	260,899	153,373
Depreciation	8,058	10,886	8,058	10,886
(Gain)/loss on disposal of assets	(1,582)	2,145	(1,582)	2,145
Marketing	25,043	22,663	25,043	22,663
Establishment costs	12,517	8,357	12,517	8,357
Computer and IT	17,037	29,452	17,037	29,452
Office expenditure	22,775	33,083	22,776	33,083
Training and recruitment	12,110	15,463	12,110	15,463
Travel and subsistence	21,554	15,448	21,554	15,448
Audit and accountancy fees	14,899	19,017	14,899	19,017
Professional fees	2,706	5,390	2,706	5,390
	<u>396,016</u>	<u>315,277</u>	<u>396,017</u>	<u>315,277</u>
Total	<u>1,469,784</u>	<u>1,688,887</u>	<u>1,484,184</u>	<u>1,703,287</u>
Attributable to funds as follows:				
Unrestricted funds	781,806	643,639	796,206	658,039
Designated funds	-	26,100	-	26,100
Restricted funds	687,978	1,019,148	687,978	1,019,148
	<u>1,469,784</u>	<u>1,688,887</u>	<u>1,484,184</u>	<u>1,703,287</u>

THE ARCHIE FOUNDATION
NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS - 31 DECEMBER 2018

8. ANALYSIS OF GRANTS

(a) Current year

	Direct funding £	Grant funding £	Support costs £	2018 £
Grants to institutions:				
NHS Grampian	117,086	291,013	69,622	477,721
ARCHIE Global Surgery	23,280	-	-	23,280
NHS Tayside	9,142	-	203	9,345
NHS Highland	31,454	8,211	173	39,838
Other institutions	243,013	-	-	243,013
Grants to institutions	423,975	299,224	69,998	793,197
Grants to individuals	-	74,402	-	74,402
Total - group	423,975	373,626	69,998	867,599
Archie Ventures Limited	-	14,400	-	14,400
Total - charity	423,975	388,026	69,998	881,999

(b) Prior year

	Direct funding £	Grant funding £	Support costs £	2017 £
Grants to institutions:				
NHS Grampian	229,470	278,056	33,249	540,775
ARCHIE Global Surgery	300,930	-	-	300,930
NHS Tayside	-	250,000	17,232	267,232
NHS Highland	295	10,591	1,570	12,456
Other institutions	3,735	-	-	3,735
Grants to institutions	534,430	538,647	52,051	1,125,128
Grants to individuals	-	36,934	-	36,934
Total - group	534,430	575,581	52,051	1,162,062
Archie Ventures Limited	-	14,400	-	14,400
Total - charity	534,430	589,981	52,051	1,176,462

THE ARCHIE FOUNDATION

NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS - 31 DECEMBER 2018

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

	Group		Charity	
	2018 £	2017 £	2018 £	2017 £
Depreciation				
-owned assets	16,624	19,473	8,058	10,886
Operating lease rentals	30,000	30,000	-	-
Auditors' remuneration				
-audit fees	12,660	16,165	11,760	14,400
-other financial services	4,678	5,842	3,137	4,617
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

10. STAFF COSTS AND NUMBERS

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

	Group & Charity	
	2018 £	2017 £
Average number of employees during the year:		
Fundraising	14	11
Administration	9	6
Charitable activity	5	3
Trustees	11	11
	<u> </u>	<u> </u>
	<u> </u>	<u> </u>

	Group & Charity	
	2018 £	2017 £
Staff costs:		
Wages and salaries	656,884	509,365
Social security costs	60,764	44,989
Pension costs	27,176	15,392
	<u> </u>	<u> </u>
	<u> </u>	<u> </u>

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

	2018 No.	2017 No.
£60,000 - £69,999	1	-
£80,000 - £89,999	-	1
	<u> </u>	<u> </u>

THE ARCHIE FOUNDATION

NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS - 31 DECEMBER 2018

10. STAFF COSTS AND NUMBERS (continued)

The average number of key management personnel during the year was 5 (2017 - 4).

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

	2018 £	2017 £
Key management personnel	<u>307,752</u>	<u>222,833</u>

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 22.

During the year expenses of £7,400 (2017 - £8,035) were paid to 4 (2017: 4) of the directors in relation to travel costs and charitable expenditure. This comprised £1,187 (2017 - £779) paid directly to trustees and £7,693 (2017 - £7,256) paid to third parties for expenses incurred.

12. TANGIBLE FIXED ASSETS

Group	Motor vehicles £	Fixtures & fittings £	Computer equipment £	Total £
Cost				
At 1 January 2018	20,500	66,901	49,771	137,172
Additions	-	9,531	3,241	12,772
Disposals	(20,500)	(22,487)	(1,782)	(44,769)
At 31 December 2018	<u>-</u>	<u>53,945</u>	<u>51,230</u>	<u>105,175</u>
Depreciation				
At 1 January 2018	15,636	47,815	36,782	100,233
Charge for year	101	10,295	6,228	16,624
Disposals	(15,737)	(22,412)	(1,782)	(39,931)
At 31 December 2018	<u>-</u>	<u>35,698</u>	<u>41,228</u>	<u>76,926</u>
Net book value				
At 31 December 2018	<u>-</u>	<u>18,247</u>	<u>10,002</u>	<u>28,249</u>
At 31 December 2017	<u>4,864</u>	<u>19,086</u>	<u>12,989</u>	<u>36,939</u>

THE ARCHIE FOUNDATION
NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS - 31 DECEMBER 2018
12. TANGIBLE FIXED ASSETS (continued)

Charity	Motor vehicles £	Fixtures & fittings £	Computer equipment £	Total £
Cost				
At 1 January 2018	20,500	18,742	49,771	89,013
Additions	-	-	3,241	3,241
Disposals	(20,500)	-	(1,782)	(22,282)
At 31 December 2018	-	18,742	51,230	69,972
Depreciation				
At 1 January 2018	15,636	11,827	36,782	64,245
Charge for year	101	1,729	6,228	8,058
Disposals	(15,737)	-	(1,782)	(17,519)
At 31 December 2018	-	13,556	41,228	54,784
Net book value				
At 31 December 2018	-	5,186	10,002	15,188
At 31 December 2017	4,864	6,915	12,989	24,768

13. FIXED ASSET INVESTMENTS

	Group		Charity	
	2018 £	2017 £	2018 £	2017 £
Investment in subsidiary undertakings	-	-	2	2

The charity owns 100% of the issues ordinary share capital (2 ordinary shares of £1 each) of ARCHIE Ventures Limited, a company incorporated and registered in Scotland (company number SC412593), having its registered office at 14 Carden Place, Aberdeen. The company operated two family friendly cafes in Inverness during the year and a further cafe in Aberdeen for part of the year. Prior to the year end two of the cafes were closed, leaving one operational in Inverness.

The charity will continue to provide support by providing ARCHIE Ventures Limited with sufficient working capital 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 2018

13. FIXED ASSET INVESTMENTS (continued)

	Charity	
	2018	2017
	£	£
Income	410,640	276,140
Cost of sales	(360,408)	(194,706)
Administration expenses	(111,388)	(97,776)
Contribution from ARCHIE towards charitable activities	48,579	14,400
	<u>(12,577)</u>	<u>(1,942)</u>

	Charity	
	2018	2017
	£	£
The assets and liabilities of the subsidiary at 31 December were:		
Fixed assets	13,061	12,171
Current assets	57,379	72,293
Creditors: amounts falling due within one year	(91,082)	(92,529)
	<u>(20,642)</u>	<u>(8,065)</u>
Total net liabilities	<u>(20,642)</u>	<u>(8,065)</u>
	<u>(20,642)</u>	<u>(8,065)</u>

14. DEBTORS

	Group		Charity	
	2018	2017	2018	2017
	£	£	£	£
Trade debtors	43,993	90,008	27,522	86,043
Amounts due from subsidiary undertaking	-	-	-	19,483
Other debtors	558,041	405,216	553,041	403,639
Prepayments and accrued income	14,357	8,247	3,366	8,004
	<u>616,391</u>	<u>503,471</u>	<u>583,929</u>	<u>517,169</u>

THE ARCHIE FOUNDATION

NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS - 31 DECEMBER 2018

15. CURRENT ASSET INVESTMENTS

	Group		Charity	
	2018 £	2017 £	2018 £	2017 £
Fixed term bank deposits	<u>1,401,855</u>	<u>900,000</u>	<u>1,401,855</u>	<u>900,000</u>

16. CREDITORS: amounts falling due within one year

	Group		Charity	
	2018 £	2017 £	2018 £	2017 £
Trade creditors	140,515	142,361	98,608	74,280
Amounts due to subsidiary undertakings		-	2	2
Other taxation and social security costs	23,984	12,995	20,087	12,995
Accruals and deferred income	<u>388,231</u>	<u>248,021</u>	<u>342,953</u>	<u>243,056</u>
	<u>552,730</u>	<u>403,377</u>	<u>461,650</u>	<u>330,333</u>

17. FINANCIAL INSTRUMENTS

	Group		Charity	
	2018 £	2017 £	2018 £	2017 £
Financial assets				
Financial assets measured at amortised cost	<u>2,429,486</u>	<u>2,121,866</u>	<u>2,383,100</u>	<u>2,069,301</u>

	Group		Charity	
	2018 £	2017 £	2018 £	2017 £
Financial liabilities				
Financial liabilities measured at amortised cost	<u>454,885</u>	<u>380,078</u>	<u>412,980</u>	<u>312,597</u>

THE ARCHIE FOUNDATION
NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS - 31 DECEMBER 2018
18. FUNDS
(a) Current year

	At 1 January 2018 £	Income £	Expenditure £	Transfers £	At 31 December 2018 £
Charity					
Restricted funds					
Angela Monica Fund	23,433	-	-	-	23,433
ARCHIE Global Surgery	16,511	6,882	(23,393)	-	-
Baird Family Hospital Appeal	-	118,320	(7,263)	-	111,057
Dr Gray's Children's Ward	17,355	5,476	(211)	-	22,620
Friends of the Neonatal Unit	571,647	206,780	(306,235)	-	472,192
Royal Aberdeen Children's Hospital 10 year Appeal	266,718	10,925	(96,422)	-	181,221
Royal Aberdeen Children's Hospital Outdoor Play	-	120,618	-	-	120,618
Tayside Appeal	214,145	431,779	(79,347)	-	566,577
Highland Appeal	12,197	87,009	(93,266)	-	5,940
Highland Appeal - Fresh Air	20,255	136,805	(17,791)	-	139,269
Parent Accommodation Suite	747	12,693	(13,440)	-	-
	<u>1,143,008</u>	<u>1,137,287</u>	<u>(637,368)</u>	<u>-</u>	<u>1,642,927</u>
Other restricted funds	115,515	339,321	(258,634)	-	196,202
Total restricted funds	<u>1,258,523</u>	<u>1,476,608</u>	<u>(896,002)</u>	<u>-</u>	<u>1,839,129</u>
Designated funds					
Pain Nurse	5,196	-	-	(5,196)	-
Computer for X-ray	(759)	-	-	759	-
Total designated funds	<u>4,437</u>	<u>-</u>	<u>-</u>	<u>(4,437)</u>	<u>-</u>
Total unrestricted funds	<u>508,782</u>	<u>683,527</u>	<u>(1,095,869)</u>	<u>4,437</u>	<u>100,877</u>
Total funds - charity	<u>1,771,742</u>	<u>2,160,135</u>	<u>(1,991,871)</u>	<u>-</u>	<u>1,940,006</u>
Group					
Unrestricted funds - charity	508,782	683,527	(1,095,869)	4,437	100,877
Funds retained within subsidiary	(8,067)	410,640	(423,217)	-	(20,644)
Unrestricted Funds - group	<u>500,715</u>	<u>1,094,167</u>	<u>(1,519,086)</u>	<u>4,437</u>	<u>80,233</u>
Designated funds	4,437	-	-	(4,437)	-
Restricted funds	<u>1,258,523</u>	<u>1,476,608</u>	<u>(896,002)</u>	<u>-</u>	<u>1,839,129</u>
	<u>1,763,675</u>	<u>2,570,775</u>	<u>(2,415,088)</u>	<u>-</u>	<u>1,919,362</u>

THE ARCHIE FOUNDATION
NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS - 31 DECEMBER 2018

18. FUNDS (Continued)

(b) Prior year

	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 the Neonatal unit	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
Parent Accommodation Suite	2,742	10,396	(12,391)	-	747
	<u>868,207</u>	<u>1,288,667</u>	<u>(1,088,766)</u>	<u>74,900</u>	<u>1,143,008</u>
Other restricted funds	197,746	41,160	(48,491)	(74,900)	115,515
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)
	<u>30,487</u>	<u>50</u>	<u>(26,100)</u>	<u>-</u>	<u>4,437</u>
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 2018

18. 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.

Baird Family Hospital Appeal

The Baird Family Hospital Appeal was launched in October 2018 to raise funds for the Neonatal and Maternity units at the new family hospital at Aberdeen Royal Infirmary.

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 the Neonatal Unit (formerly called Friends of Special Nursery)

The Friends of the Neonatal Unit fund relates for 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.

Royal Aberdeen Children's Hospital Outdoor Play

This fund was set up to replace and improve the current outdoor play space at Aberdeen Royal Children's Hospital.

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.

THE ARCHIE FOUNDATION

NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS - 31 DECEMBER 2018

18. FUNDS (continued)

Highland Appeal - Fresh Air

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

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.

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

(a) Current year

	Unrestricted funds £	Designated funds £	Restricted funds £	Total Funds £
Group				
Fixed assets	28,249	-	-	28,249
Net current assets	51,984	-	1,839,129	1,891,113
	<u>80,233</u>	<u>-</u>	<u>1,839,129</u>	<u>1,919,362</u>
Charity				
Fixed assets	15,190	-	-	15,190
Net current assets	85,687	-	1,839,129	1,924,816
	<u>100,877</u>	<u>-</u>	<u>1,839,129</u>	<u>1,940,006</u>

THE ARCHIE FOUNDATION

NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS - 31 DECEMBER 2018

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS (continued)

(b) Prior year

	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>

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

	2018 £	2017 £
Net income/(expenditure) for the year (as per statement of financial activities)	155,687	(118,333)
Adjustment for:		
Depreciation charges	16,624	19,473
(Gain)/loss on disposal of fixed assets	(1,507)	2,113
Interest received	(8,819)	(14,797)
(Increase)/decrease in debtors	(112,920)	(207,164)
Increase in creditors	149,353	138,437
Net cash flows from/(used in) operating activities	<u>198,418</u>	<u>(180,271)</u>

21. COMMITMENTS UNDER OPERATING LEASES

At 31 December 2018 the group had future minimum lease payments under non-cancellable operating leases as follows:

	Group	
	2018 £	2017 £
Not later than 1 year	30,000	30,000
Later than 1 year and not later than 5 years	-	5,000
	<u>30,000</u>	<u>35,000</u>

THE ARCHIE FOUNDATION

NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS - 31 DECEMBER 2018

22. RELATED PARTY TRANSACTIONS

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

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

Related party	Detail	Transaction value £	Balance at year end £
Archie Ventures Limited, a wholly owned subsidiary	Donation to support activities in line with Archie Foundation charitable purposes	14,400	-
	Loan balance written off	34,179	-

23. 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.