



**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 2020

THE ARCHIE FOUNDATION
TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

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THE ARCHIE FOUNDATION
LEGAL AND ADMINISTRATIVE INFORMATION**TRUSTEES**

Carol Munro, Chairperson
Robert Anderson (resigned 23 March 2020)
Anne Bone MBE
Kirsty Cox
Christopher Driver (resigned 1 October 2020)
Barbara Jones
Derek King
Joseph Mackie, OBE (resigned 31 March 2021)
Mary Nimmo
Kay Pratt
David Strachan (appointed 1 October 2020)
Stephen Turner (appointed 1 October 2020)
Hazel Whyte (resigned 28 January 2020)
Fiona Willox

COMPANY SECRETARY

Mackinnons

ORGANISATION

The day to day management of the charity is delegated to Paula Cormack, 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	Royal Bank of Scotland FRASERBURGH AB43 9AS	Clydesdale Bank ABERDEEN AB15 4XU
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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 2020.

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 (Charities SORP (FRS 102) (second edition - October 2019) and the Companies Act 2006.

OBJECTIVE AND ACTIVITIES - THE ROLE OF THE ARCHIE FOUNDATION

The ARCHIE Foundation operates on a non-profit basis. Our mission is to make the difference in healthcare and bereavement for local babies, children and their families. We do this by working in partnership with the NHS in Grampian, Highlands, Orkney, Shetland and Tayside and with other child development and childcare professionals including, but not limited to, those working in the education and social work sector.

Our charitable purpose is to relieve suffering and distress and to aid the furtherance of health for local babies and children. We do this by: supporting, equipping, enhancing and maintaining neonatal and paediatric health services; providing specialist training for health professionals working in neonatal and/or child healthcare; providing practical support and resources for children, young people and their families who use child health services; providing bereavement support for children and their families; training professionals working with children to equip them with the skills and knowledge to support a bereaved child or young person; any such other related charitable objects as the Company in its sole discretion may determine. The following matrix indicates our key services and where these currently apply:

Core Areas of Support by Region:	Grampian	Highlands	Tayside
1. Providing emergency financial support for families	✓	✓	✓
2. Funding specialist training and/or equipment for NHS staff and patients	✓	✓	✓
3. Creating child friendly hospital environments	✓	✓	✓
4. Providing a toy service for partner NHS sites	✓	✓	✓
5. Delivering professional support for bereaved children	✓		
6. Ensuring provision of on-site hospital accommodation for families	✓		
7. Funding specialist staff posts	✓		

Whether in one of the major hospitals or one of the many rural community hospitals across the regions we support, The ARCHIE Foundation provides the extras, over and above core, state-funded health provision, that make the experience of being in hospital for children less daunting, less stressful, more enjoyable, often shorter and nearly always more positive.

Whether ARCHIE makes the difference by providing enhanced healthcare facilities; funding advanced training for NHS staff, funding emergency grants, equipment and/or specialist people; providing emotional support for bereaved children and their families; providing toys and/or entertainment; or any other of the myriad ways we make the difference, our work positively influences and sometimes saves the lives of children. We are extremely proud of the impact we make and enormously grateful to everyone involved in making it happen. We are a charity with babies, children, families and local people at our very core and our relationship with the NHS, education and childcare sectors is fundamental to our current and future success.

**THE ARCHIE FOUNDATION
TRUSTEES' ANNUAL REPORT**

ACHIEVEMENTS & PERFORMANCE

2020 was a tremendously difficult year for all charities and especially so for those, like The ARCHIE Foundation, with a heavy focus on event-based fundraising. All of our planned fundraising events for 2020 were either cancelled or postponed, the first being the ARCHIE Spring Ball which had to be cancelled at just one day's notice on 12th March 2020, with a steady stream of postponements and cancellations through the course of the year. In the week immediately following this and prior to the national lockdown imposed on 23rd March 2020, we implemented a work-from-home policy for all staff. We utilised the Government's Coronavirus Job Retention Scheme, with all but 3 members of our team placed on furlough or flexi-furlough from April onwards. We also had to take some very difficult decisions with regard to staffing levels, with five redundancies made in June 2020. Additionally, in March, we completed a thorough cost review across the entire organisation ensuring that only business critical costs would be incurred for the remainder of the year.

Our fundraising focus switched to online campaigns, with success achieved through virtual quizzes, Oor Wullie's Garden Trail, The ARCHIE Golf Open, ARCHIE & Neo's Virtual Afternoon Tea and ARCHIE's Tree-mendous Christmas Tree Auction among the highlights.

In addition to engaging in these and other ARCHIE-led campaigns our supporters undertook their own fundraising challenges, some individually and some in sports or work teams. The charity also benefitted from significant grant funding. Collectively over the course of the year ARCHIE supporters generated a total income of over £1,194,000. This sum was significantly down versus the previous year, however it must be noted that 2019 itself was an exceptional year of fundraising thanks in the main to Oor Wullie's Big Bucket Trail. 2020 was by all accounts an extraordinarily challenging year and to have successfully raised the necessary funds to fully deliver all key aspects of our support is no small achievement. We are incredibly grateful to everyone who supported The ARCHIE Foundation in 2020 enabling us to make the difference for close to 200,000 children across the north of Scotland.

Arguably the most important part of ARCHIE's programme of support in 2020 was the provision of emergency grant funding to help financially struggling families to access the healthcare treatment and resources their child requires. The NHS provides world-class treatment and care, free at the point of delivery, but the onus is on the patient to travel to receive this. Basic equipment and resources are provided free by the NHS but often specialist equipment that will truly make the difference to the quality of life for a child is not included in NHS provision.

Over 30% of children in the UK in 2019-20 were living in poverty. 75% of children living in poverty live in a household where at least one person works (Source: Department for Work & Pensions 2021). Only families in receipt of welfare support are entitled to claim travel expenses from the NHS and even then, the NHS funds only car or public transport costs (and not everyone drives or lives on a bus route). The thousands of families who are "just making ends meet" must simply weather the unforeseen costs of travel and other expenses incurred to access emergency and/or ongoing healthcare treatment. This leaves many anxious parents making impossible choices, such as whether to put food on the table or petrol in the car. All too often our NHS colleagues find themselves rightly recommending a piece of specialist, medical equipment which will truly make the difference for a young patient only to find it cannot be funded by the NHS. In this case the family is expected to foot the bill, something which is not possible for everyone. Our aim through provision of emergency grant funding is to achieve parity in access to healthcare for young patients across North Scotland.

Despite the extremely challenging financial situation for the charity in 2020 we successfully extended our Emergency Grant Funding into Tayside, the last of the three ARCHIE regions to benefit from this important programme of support. Furthermore, thanks to the generosity of our supporters and donors we were able to fulfil all eligible applications received for emergency grant support.

**THE ARCHIE FOUNDATION
TRUSTEES' ANNUAL REPORT**

ACHIEVEMENTS & PERFORMANCE (continued)

In addition to extending and delivering Emergency Grant Funding we developed the ARCHIE Toy Service in Grampian and Highlands to meet new needs presented by the COVID-19 pandemic. Play Teams in both Grampian and Highlands required significantly more toys to enable them to reduce multiple handling of resources. We also opened the service up to Allied Health Professional teams working in the community who use toys as resources to carry out clinical assessments. Ordinarily AHPs have a box of resources which would be used by all children assessed in clinic. To avoid multi-handling and the need for onerous cleaning regimes ARCHIE provided a steady supply of toys such that AHPs could present each child with their own toy to use during assessment and take home afterwards to enjoy for days, weeks and even months to come.

2020 saw the continuance of ARCHIE funding for key roles and services in Grampian at Royal Aberdeen Children's Hospital and Aberdeen Maternity Hospital's Neonatal Unit, including:

Funding the ARCHIE Play Leader, Sarah Anderson, who supports all children in RACH. Sarah describes her role as "keeping spirits up and worries down on the wards". The ARCHIE Play Leader does far more than play games with the young patients in her care, she provides tailored activities every day for each child on the ward, providing not only welcome distraction, comfort, and company for the children themselves but also, crucially, enabling tired and worried parents to take time to care for themselves, grabbing a quick coffee or a short nap, to help them stay strong for their child.

Running the ARCHIE Family Centre, providing on-site hospital accommodation for parents so they can be near to their child 24/7. ARCHIE funded the creation of this vital home-from-home when RACH was built and continues to manage the facility ongoing. In 2019 we made significant investment in upgrading the ARCHIE Family Centre and parents staying there over the last year benefitted from new en-suite facilities in every room and a convivial open plan kitchen / dining / living area. ARCHIE Family Support Worker, Lynn Fraser, has run the facility for over 11 years, providing a much-needed listening ear for anxious parents in addition to the wonderful facilities at the Centre. Lynn retired at the end of May 2021 and will be sorely missed by NHS staff at RACH, ARCHIE staff and families who use the facility. The Centre is now run by two part-time ARCHIE Support & Family Centre Coordinators, Tiffeny Rothwell and Craig Duncan, which will now see the ARCHIE Family Centre staffed Monday to Friday.

ARCHIE have funded a dedicated Clinical Pain Nurse Specialist at RACH for over a decade during which time a wealth of evidence has been gathered regarding the significant impact this role and service provides to young patients. It was agreed between NHS Grampian and the ARCHIE Board of Trustees that the charity's funding of the role will cease at the end of June 2021 at which point the NHS will take on funding responsibility for the role. The "ARCHIE Pain Nurse" has made a considerable difference to the quality of life of thousands of children over the last decade and will continue to do so going forward. This is a clear case of charitable funding enabling NHS colleagues to research and test new roles and new ways of working and to make the case for ongoing state funding wherever appropriate.

A similar case-making trial, funded by ARCHIE's Friends of the Neonatal Unit, is nearing completion at Aberdeen Maternity Hospital's Neonatal Unit. Thanks to generous funding from our supporters the charity is funding a programme of Emotional & Psychological Support for parents of neonatal babies, delivered by a fully qualified Clinical Psychologist and two Counsellors. Their support proved particularly valuable for parents at the height of the pandemic, when visiting was restricted to just one parent at a time. Neonatal Staff worked especially hard during this really difficult time to keep families fully informed about their baby's development. They used V-Create software and dedicated iPads to make digital diaries so parents could share in their babies' key moments and milestones. This software was pioneered at Aberdeen Neonatal Unit thanks to funding from our charity and in particular thanks to the generosity of our donors.

**THE ARCHIE FOUNDATION
TRUSTEES' ANNUAL REPORT**

ACHIEVEMENTS & PERFORMANCE (continued)

Stressful working conditions caused by COVID-19 impacted severely on NHS staff up and down the UK and we were grateful to have the ability to open up our charity-funded Emotional & Psychological Support to staff and NHS colleagues, which was greatly welcomed and most especially so by staff at the Neonatal Unit itself. In addition to providing emotional support, we were thankful to be able to offer ad hoc pick-me-up treats for staff through the course of the year, a small but important part of wider community efforts to recognise and thank our NHS colleagues for their hard work in extremely challenging circumstances.

ARCHIE's Grampian Child Bereavement Network continued to work throughout the pandemic and right across the region, providing vital support to children who have lost a loved one. We very quickly moved our entire service online and provided specialist training for over 200 professionals working with children including those from the education and social work sector. Our activity days were similar taken online, proving an invaluable touchpoint and lifeline for children and families in the form of virtual treasure hunts, chocolate making workshops and even a magic show. The number of referrals we received doubled in 2020 versus the previous year and over the course of the year we distributed nearly 400 specialist bereavement books.

This year we secured funding from BBC Children In Need which enabled us to extend our Child Bereavement service further and in October 2020 we recruited two new Bereavement Support Workers who are based at RACH. They work across all NHS hospitals in the Grampian area, providing immediate support for children when a loved one dies in hospital. The immediacy of this kind of on-site support is priceless for families, providing guidance and reassurance regarding how and when to tell children about the death of a loved one and helping parents and carers to find the right words to explain this to their child. This kind of early support ensures healthy communication within the family from the outset which helps both in reducing parental anxiety and in ensuring children receive age and stage appropriate support.

In addition to the above on-going elements of ARCHIE's programme of support we also made good progress on projects in all three regions:

Successful completion of ARCHIE's £2 million capital appeal to help build a new Children's Theatre Suite at Tayside Children's Hospital, Ninewells is another key milestone in the charity's development and despite all of 2020's challenges, building work on this incredible new facility continued at great pace. This project has been a very long time in the making, with communication between ARCHIE and NHS Tayside dating back as far as 2011. Our fundraising appeal was officially launched in 2014 and was wholeheartedly supported by the people of Tayside. From organising their own creative fundraisers, abseiling, running, baking, supporting not one but two Oor Wullie Bucket Trails and even growing "beards for bairns" their commitment in raising the funds to support this much needed facility has been incredible and we truly could not be more grateful.

All being well building work will be complete by the end of 2021, when the facility will be handed over to the NHS for commissioning works ready for official opening early 2022. The new theatre suite will double the current operating capacity meaning the vast majority of children requiring surgery at Ninewells will be treated in a child friendly and age-appropriate environment. This amazing purpose-built space has been designed with the child in mind from day one, and thanks to ARCHIE's financial contribution will transform what could otherwise have been a stark and clinical hospital environment into a bright and inspiring place for families, significantly reducing fear and anxiety for young patients at an already difficult time.

Our projects work in Grampian and Highlands sadly did not avoid the COVID effect and key projects that were underway at the time the pandemic struck were put on hold. This includes a largescale overhaul and refurbishment of the Play Zone at RACH, which sits between the medical and surgical wards providing a much-needed space for young patients to relax, play and be children. In many regards the status of the project at the time of lockdown was fortuitous - being fully boarded up while works were undertaken provided a barrier between the medical and surgical wards and an additional infection control measure to help protect staff and patients from the spread of the virus. Works commenced again early 2021 and it is hoped that government and NHS guidelines will allow the Play Zone to reopen at some point in 2021. In the interim period, the Play Team have made good use of the ARCHIE outdoor playpark which was completed in 2019 and officially opened October 2020.

THE ARCHIE FOUNDATION TRUSTEES' ANNUAL REPORT

ACHIEVEMENTS & PERFORMANCE (continued)

In the Highlands, Stage 2 of ARCHIE's Fresh Air Project had to be placed on hold due to contractors not being permitted to continue work on site during the pandemic. It is hoped that the project will complete in 2021 to fully deliver on the aims and objectives set out by ARCHIE and our partner NHS Highlands to further enhance and improve facilities at Highland Children's Unit.

One other highly significant capital appeal project for ARCHIE is our commitment to raise £2 million for the new The Baird Family Hospital. Build work remained on hold throughout 2020 while the project was re-costed and re-presented to the Scottish Government. Approval was secured in September 2020 with building work commencing January 2021.

Around 4,500 babies are born at AMH every year; on average 1 in 7 need specialist neonatal care. The Baird, which is scheduled for completion late 2023, will replace the ageing Aberdeen Maternity Hospital (AMH) and Neonatal Unit. At 26,000m² over 5 floors it will provide a great deal more besides.

The Scottish Government is making significant investment to create this state-of-the-art new family hospital (£233m split between the twin projects of the Baird Family Hospital and the new ANCHOR Centre) with the aim that it will be a centre for excellence in Scottish neonatology, caring for and saving the lives of some of Scotland's sickest babies. NHS Grampian have engaged ARCHIE to raise a further £2 million to fund the vital finishing touches and extra specialist equipment needed to deliver more than simply a clinically excellent facility. Through partnership we will transform The Baird into a world-class facility. Our charity raised £1m towards Aberdeen Neonatal Unit in 1988 and through ongoing funding of vital "extras" not available on the NHS we helped it to become one of Scotland's most successful Neo Units. The £2m we aim to raise now will be invested in the following areas to deliver the difference at The Baird:

- Environment - lighting, furnishing, decoration to achieve a welcoming and non-clinical feel - £1,200,000.
- Artwork - investment in bespoke, commissioned art to create a healing environment - £300,000.
- Equipment - funding specialist, life-saving equipment beyond that which is NHS-funded - £500,000.

The ARCHIE Foundation is a much-loved and vital local charity that delivers so much for so many people. The charity is entirely funded by voluntary local contributions and we are incredibly grateful to each and every one of our donors, volunteers, trustees and dedicated staff members across Grampian, Highland, Tayside and further afield. Everything we do and achieve is thanks to their tireless support and it really does mean so much to so very many people.

ARCHIE VENTURES LTD IN 2020

The ARCHIE Foundation launched a subsidiary company, Community Cafes Ltd, in 2013 which changed its trading name to ARCHIE Ventures Ltd in 2018 to incorporate the development of additional income streams. ARCHIE Ventures Ltd is a wholly owned company of The ARCHIE Foundation.

The ARCHIE café in the Eastgate Shopping Centre in Inverness ceased trading in February 2020 when the lease was handed over to the Highland Hospice charity.

Oor Wullie's Big Bucket Trail (a highly successful fundraising trail run in partnership with Edinburgh Children's Hospital Charity and Glasgow Children's Hospital Charity in 2019) formed a major part of ARCHIE Ventures recent trading activities and the intention is for all future trading projects to be operated under this limited company. There were no ARCHIE Venture trading projects in operation through the course of 2020 and the company lies dormant while we assess future opportunities.

**THE ARCHIE FOUNDATION
TRUSTEES' ANNUAL REPORT**

THE IMPACT OF ARCHIE'S SUPPORT

Selecting highlights to demonstrate the difference ARCHIE makes to the people we support is always incredibly difficult. Every story is unique and ideally we would like to share details about every child and NHS colleague who has benefitted from ARCHIE's support throughout the course of 2020. That is, however, clearly not possible for a number of reasons. What we can do is share the story of one family whose connection with ARCHIE began as 2019 moved over into 2020 and continues as they take each day, one at a time, enduring more than most of us would even wish to contemplate:

Harris was blue-lighted from Highland Children's Unit (Raigmore) to Royal Aberdeen Children's Hospital (RACH) arriving just before midnight on 31st December 2019. This marked the start point of over a year away from the family home in Skye while Harris received treatment for a cancerous tumour called a neuroblastoma. His parents spent most of 2020 living in the ARCHIE Family Centre at RACH, so they could be by his side. They celebrated Harris's 6th birthday in RACH. The following year, still here and still squaring up to each new day and whatever challenge or set back it might bring, they celebrated his 7th birthday.

ARCHIE's emergency financial grants helped see the family through the toughest times, and in over a year of living off savings and rainy-day funds there have understandably been a few. ARCHIE Play Leader, Sarah, has been here every day, helping to keep spirits up and worries down for all three. ARCHIE Pain Nurse, Emily, has helped ease the pain Harris suffered through the toughest days of his treatment.

The family are incredibly grateful for the difference ARCHIE's support has made through the toughest days of their lives, commenting that "Everyone is doing their utmost to get a normal life for us. The support is amazing."

In addition, we are pleased to share feedback received this year from Hazel Whyte, Unit Operational Manager for RACH, who shares sentiments echoed by the NHS teams we work in partnership with across Grampian, Highlands and Tayside:

"As Unit Operational Manager of Royal Aberdeen Children's Hospital, I am very fortunate to have The ARCHIE Foundation on board, as our official charity partner, dedicated to enhancing and transforming our paediatric healthcare environment, whilst assisting our NHS team to relieve and reduce the suffering and distress that children experience when visiting hospital.

I am aware of the drastic reduction in fundraising activities during this coronavirus pandemic, yet ARCHIE continues to support children and families through their crucial emergency grants programme for families in urgent financial need, supporting our specialist equipment needs, the very important Children's Play Service, the Family Accommodation Centre and also funding of specialist NHS staff within the children's hospital.

Even although elective activity reduced due to the pandemic, we continue to rely on ARCHIE support in order to maintain high quality services to children who require access to emergency and urgent care. In my opinion The ARCHIE Foundation is a crucial and essential partner."

NHS Tayside have also commended the support that they have received from The ARCHIE Foundation and acknowledge the benefits they receive through the partnership with the charity. Lorna Wiggan, Chief Officer, NHS Tayside said:

"NHS Tayside is extremely grateful for the enormous support provided by the ARCHIE Foundation which has supported us to create a 21st century new Children's Theatre Suite. The £2million contribution from the Archie Foundation has allowed us to provide additional features in the facility, which would not have been possible without the successful partnership between our two organisations. These have included the appointment of a local artist to provide bespoke artwork, the installation of sky panels in the ceilings throughout the facility, and a number of pieces of specialist equipment.

The Children's Theatre Suite will be completed towards the end of 2021, and we are really excited about building on the relationship with the ARCHIE Foundation to identify the next project and to establish how best to support children, young people and families throughout Tayside".

THE ARCHIE FOUNDATION TRUSTEES' ANNUAL REPORT

THE IMPACT OF ARCHIE'S SUPPORT (continued)

Footfall across all NHS sites was dramatically reduced, principally due to strict restrictions around visiting. The number of elective procedures was reduced in 2020 versus 2019 as some routine or non-urgent cases were postponed. Despite the barriers and limitations posed by the pandemic The ARCHIE Foundation continued to make an exceptional difference for local children, and NHS staff across the north of Scotland, and thanks to the generosity of our donors through an extremely challenging period, we continue to do so to this day. We are proud of the positive impact the charity has, proud of the efficiency with which it is delivered and we would be very proud to share further information about our work with existing and prospective donors.

STRUCTURE AND GOVERNANCE

The ARCHIE Foundation was formed in September 2000 to support the creation of 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 (now not relevant). 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 devolved day-to-day management of the charity to the Chief Executive, Paula Cormack who was appointed 1st January 2021 following the departure of David Wood in August 2020.

The Board has four Committees reporting to it:

- The Clinical Advisory Committee (Grampian)
- The Finance & Governance Committee
- The Grampian Child Bereavement Network 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 Friends of the Neonatal Unit Committee reviews all applications seeking support of over £500 that relate to the Aberdeen neonatal unit. 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 Grampian Child Bereavement Network Committee has non trustees serving on it and works very closely with the Coordinator of The Grampian Child Bereavement Network. The committee meets regularly and provides direction, support, and advice. In addition, committee members provide one to one support to children and families suffering bereavement.

The Finance and Governance Committee reviews the financial performance and governance 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 ARCHIE FOUNDATION
TRUSTEES' ANNUAL REPORT**

STRUCTURE AND GOVERNANCE (continued)

The Trustees consider the Chief Executive and the Director of Business Services (who together constitute 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 Director of Business Services 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 and Senior Management Team.

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 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 and Senior Management Team 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.

As of 31 December 2020, there were a mix of NHS and non-NHS Trustees on the Board with a majority being non-NHS members. During 2020, the following served as Trustees of the charity and as directors of the company. The Committees they served on are also shown in the table below:

Trustee	Board	Board Attendance	Finance & Governance	Clinical Advisory	GCBN	Friends of the Neonatal Unit
Joe Mackie	C	5/5	C			
Carol Munro	V	5/5	x			
Robert Anderson	x	0/0	x			
Anne Bone	x	5/5			C	
Kirsty Cox	x	3/5				C
Christopher Driver	x	3/3		x		
Barbara Jones	x	4/5			x	
Derek King	x	5/5	x	C		
Mary Nimmo	x	2/5				
Kay Pratt	x	5/5				
David Strachan	x	1/2	x			
Stephen Turner	x	3/3		X		
Hazel Whyte	x	0/0				
Fiona Willox	x	3/5				x

C - Chair V - Vice-Chair

In 2020, there were 5 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 pages 1.

Vice Chair, Carol Munro succeeded Joe Mackie OBE as the charity's Board chair on 1st April 2021. Joe has had a long-standing relationship with the charity which dates back over 20 years to the original ARCHIE appeal which contributed £5m towards the build of RACH. We are indebted to Joe for his time, dedication and commitment as a trustee. Upon his retirement the Board of Trustees were honoured when he accepted their invitation for him to become a patron of The ARCHIE Foundation enabling him to continue his support of the charity with pride and much deserved recognition.

**THE ARCHIE FOUNDATION
TRUSTEES' ANNUAL REPORT**

STRUCTURE AND GOVERNANCE (continued)

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 and/or unexpected 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 the difference for any child, or group of children, accessing care in NHS Grampian, NHS Highland, NHS Shetland, NHS Orkney and NHS Tayside. 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 19 bedrooms for parents of patients in Royal Aberdeen Children's Hospital, our ARCHIE Play Leader, 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 groups. The Board's grant-making policy differentiates between different financial requests and requests for varying purposes depending on funds available.

Applications for support, to any part of the charity, of up to £1,000 are assessed for support by the Chief Executive or Director of Business Services. 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 £1,000 are assessed for approval by the appropriate expert Committee who will then make recommendations to the Board. The Board make the final decision, taking into account the recommendations - although they are not required to accept this advice.

REMUNERATION POLICY

The charity's staff remuneration is normally reviewed annually by the Chief Executive and Senior Management Team, who makes recommendations to the Finance and Governance Committee which then reports to the Board for approval. 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 many highly valued 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.

**THE ARCHIE FOUNDATION
TRUSTEES' ANNUAL REPORT**

2020 FINANCIAL PERFORMANCE

In April 2020 we revised our budget for the remainder of the year, reducing our expectations from a targeted income of £2,623,724 with corresponding expenditure of £1,885,320 down to a targeted income of £1,134,990 with expenditure of £1,046,221.

We ended 2020 with income for the financial year of £1,194,788 (2019 - £3,394,451) and expenditure equalled £1,157,560.

While this is clearly significantly lower than our 2019 performance (when income was at £3,394,451), 2019 was in many regards an exceptional year due mainly to fundraising the Oor Wullie's Big Bucket Trail.

Total funds at 31 December 2020 totalled £1,254,306 (2019 - £1,217,078) of which £1,052,884 (2019 - £1,076,924) are restricted funds (funds received that are restricted by the donor for a specific purpose), and £201,422 (2019 - £140,154) 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 2020, with the exception of the COVID-19 pandemic, there were no substantial events that had a significant financial effect on the charity.

RESERVES POLICY

The Trustees have reviewed the reserves required, in response to COVID-19 impact on the charity and taking into account the current and future liabilities. The Trustees have agreed a sum of £125,000 be retained as part of the charity's reserves as provision for four months operating costs.

The free reserves of the group, after allowing for funds tied up in tangible fixed assets and designated funds, is £196,822 (2019 - £132,217).

Further reserves relate to projects not yet ready for installation or not yet fully delivered and costs for restricted purpose.

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.

INVESTMENT POLICY

The Trustees opt for a low-risk investment policy with funds not immediately due for use held in short-term notice accounts up to a maximum of 1 year. 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 (£11,079). In the current climate of low interest rates, the Board is satisfied with this return, which was in-line with expectations.

THE ARCHIE FOUNDATION TRUSTEES' ANNUAL REPORT

PLANS FOR THE FUTURE

Plans for the future must be made in conjunction with the current threat from the coronavirus pandemic very much in mind. It is essential that the charity fully rides out the COVID-19 storm and children and the NHS will increasingly rely on The ARCHIE Foundation for ongoing support. It is essential that the charity continues to assess the impact of the pandemic on an ongoing basis.

The charity has reorganised and restructured and has significantly reduced its cost base during 2020. The Finance and Governance committee and the senior management team meet on a regular basis to monitor income and cost and ensure that priorities are assessed and addressed.

The Senior Management Team have overseen a strategic review of the charity, a new and exciting rebranding is weeks away from launch, and a new five-year business plan is in the process of being approved.

CONNECTED BODIES

ARCHIE Ventures Limited is a wholly owned subsidiary company which in 2020 operated one cafe in Inverness which ceased trading at the end of February 2020. The cafe was designed to be run as a commercial operation with the intention of being welcoming to families and customers with young children but became financially unviable. 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. Two trustees, Carol Munro (Board Chair) and David Strachan 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 or NHS Tayside:

- Chris Driver
- Kay Pratt
- Stephen Turner
- Hazel Whyte
- Fiona Willox

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.

**THE ARCHIE FOUNDATION
TRUSTEES' ANNUAL REPORT**

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.

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.


.....
Carol Munro
Chairperson

Date: 29/07/2021

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 2020 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 2020 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.



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: 29 July 2021

THE ARCHIE FOUNDATION

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Note	Unrestricted funds £	Restricted funds £	2020 Total Funds £	2019 Total Funds £
INCOME AND ENDOWMENTS FROM:					
Donations and legacies	3	571,012	438,791	1,009,803	1,786,316
Other trading activities	4	155,925	20,241	176,166	1,597,056
Investments	5	8,818	1	8,819	11,079
TOTAL		735,755	459,033	1,194,788	3,394,451
EXPENDITURE ON:					
Raising funds	6	250,518	95,208	345,726	1,638,140
Charitable activities	7	423,969	387,865	811,834	2,458,595
TOTAL		674,487	483,073	1,157,560	4,096,735
NET INCOME/(EXPENDITURE)		61,268	(24,040)	37,228	(702,284)
NET MOVEMENT IN FUNDS		61,268	(24,040)	37,228	(702,284)
RECONCILIATION OF FUNDS					
Total funds brought forward	18	140,154	1,076,924	1,217,078	1,919,362
Total funds carried forward	18	201,422	1,052,884	1,254,306	1,217,078

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 2020**

	Note	Unrestricted funds £	Restricted funds £	2020 Total Funds £	2019 Total Funds £
INCOME AND ENDOWMENTS FROM:					
Donations and legacies	3	571,012	438,791	1,009,803	2,161,714
Other trading activities	4	129,823	20,241	150,064	362,414
Investments	5	8,818	1	8,819	11,079
TOTAL INCOME		709,653	459,033	1,168,686	2,535,207
EXPENDITURE ON:					
Raising funds	6	217,508	95,208	312,716	807,927
Charitable activities	7	423,969	387,865	811,834	2,458,595
		641,477	483,073	1,124,550	3,266,522
NET INCOME/(EXPENDITURE)		68,176	(24,040)	44,136	(731,315)
NET MOVEMENT IN FUNDS		68,176	(24,040)	44,136	(731,315)
RECONCILIATION OF FUNDS					
Total funds brought forward	18	131,767	1,076,924	1,208,691	1,940,006
Total funds carried forward	18	199,943	1,052,884	1,252,827	1,208,691

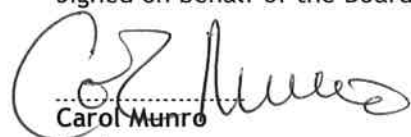
The company has made no gains or losses other than as reported above.

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

THE ARCHIE FOUNDATION
 COMPANY NUMBER: SC340297
 CONSOLIDATED BALANCE SHEET - 31 DECEMBER 2020

	Note	2020 £	2019 £
FIXED ASSETS			
Tangible fixed assets	12	<u>3,119</u>	<u>7,937</u>
CURRENT ASSETS			
Debtors	14	112,023	280,552
Fixed term bank deposits	15	2,058,664	500,000
Cash at bank and in hand		<u>264,723</u>	<u>1,921,297</u>
		<u>2,435,410</u>	<u>2,701,849</u>
CREDITORS: amounts falling due within one year	16	<u>1,184,223</u>	<u>1,492,708</u>
NET CURRENT ASSETS		<u>1,251,187</u>	<u>1,209,141</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,254,306</u>	<u>1,217,078</u>
NET ASSETS		<u>1,254,306</u>	<u>1,217,078</u>
FUNDS			
Unrestricted	18	199,943	131,767
Funds retained within subsidiary	18	<u>1,479</u>	<u>8,387</u>
		<u>201,422</u>	<u>140,154</u>
Restricted	18	<u>1,052,884</u>	<u>1,076,924</u>
		<u>1,254,306</u>	<u>1,217,078</u>

Signed on behalf of the Board of Trustees


 Carol Munro
 Chairman

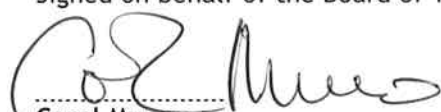
Date: 29/07/2021

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

THE ARCHIE FOUNDATION
 COMPANY NUMBER: SC340297
 BALANCE SHEET - 31 DECEMBER 2020

	Note	2020 £	2019 £
FIXED ASSETS			
Tangible fixed assets	12	3,119	7,937
Investments	13	2	2
		<u>3,121</u>	<u>7,939</u>
CURRENT ASSETS			
Debtors	14	110,193	646,466
Fixed term bank deposits	15	2,058,664	500,000
Cash at bank and in hand		264,409	1,495,272
		<u>2,433,266</u>	<u>2,641,738</u>
CREDITORS: amounts falling due within one year	16	1,183,560	1,440,986
		<u>1,249,706</u>	<u>1,200,752</u>
NET CURRENT ASSETS		<u>1,249,706</u>	<u>1,200,752</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,252,827</u>	<u>1,208,691</u>
NET ASSETS		<u>1,257,827</u>	<u>1,208,691</u>
FUNDS			
Unrestricted	18	199,943	131,767
Restricted	18	1,052,884	1,076,924
		<u>1,252,827</u>	<u>1,208,691</u>

Signed on behalf of the Board of Trustees


 Carol Munro
 Chairman

Date: 29/07/2021

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 2020

		2020 £	2019 £
Cash flow from operating activities			
Net cash flow from operating activities	20	(106,729)	582,766
Cash flow from investing activities			
Interest received		8,819	11,079
Purchase of tangible fixed assets		-	-
Proceeds from sales of tangible fixed assets		-	-
Net cash flow from investing activities		8,819	11,079
Increase in cash and cash equivalents in the year		(97,910)	593,845
Cash and cash equivalents at 31 December 2019		2,421,297	1,827,452
Cash and cash equivalents at 31 December 2020		2,323,387	2,421,297
Cash and cash equivalents comprise:			
Fixed term bank deposits		2,058,664	500,000
Cash at bank and in hand		264,723	1,921,297
		2,323,387	2,421,297

THE ARCHIE FOUNDATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - 31 DECEMBER 2020

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 2020

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 2020

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) *Government grants*

Grant income is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably. Where terms or conditions are attached to grants, these must be met before the income is recognised as the entitlement condition will not have been satisfied until that point. Where terms or conditions have not been met or uncertainty exists as to whether they can be met then the relevant income is deferred.

(i) *Investments in subsidiaries*

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

(j) *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

(k) *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 2020

1. ACCOUNTING POLICIES (continued)

(l) *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.

(m) *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.

(n) *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.

(o) *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.

(p) *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.

(q) *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 2020

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.

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	
	2020	2019	2020	2019
	£	£	£	£
Donations and legacies	792,543	1,786,316	792,543	2,161,714
Government grants	217,260	-	217,260	-
	<u>1,009,803</u>	<u>1,786,316</u>	<u>1,009,803</u>	<u>2,161,714</u>
Attributable to funds as follows:				
Unrestricted	571,012	530,171	571,012	728,024
Restricted	438,791	1,256,145	438,791	1,433,690
	<u>1,009,803</u>	<u>1,786,316</u>	<u>1,009,803</u>	<u>2,161,714</u>

Included within donations are amounts totalling £4,737 (2019: £19,249) in relation to donated goods and services.

During the year the Charity received grants in respect of the Coronavirus Job Retention Scheme (CJRS).

THE ARCHIE FOUNDATION

NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS - 31 DECEMBER 2020

4. INCOME FROM OTHER TRADING ACTIVITIES

	Group		Charity	
	2020 £	2019 £	2020 £	2019 £
Fundraising events	150,064	314,779	150,064	362,414
Trading income from subsidiaries	26,102	1,282,277	-	-
	<u>176,166</u>	<u>1,597,056</u>	<u>150,064</u>	<u>362,414</u>
Attributable to funds as follows:				
Unrestricted	155,925	1,395,924	129,823	161,282
Restricted	20,241	201,132	20,241	201,132
	<u>176,166</u>	<u>1,597,056</u>	<u>150,064</u>	<u>362,414</u>

5. INCOME FROM INVESTMENTS

	Group and Charity	
	2020 £	2019 £
Bank interest receivable	8,819	11,079
Attributable to funds as follows:		
Unrestricted	8,818	11,068
Restricted	1	11
	<u>8,818</u>	<u>11,079</u>

6. EXPENDITURE ON RAISING FUNDS

	Group		Charity	
	2020 £	2019 £	2020 £	2019 £
Cost of generating donations and legacies	270,884	682,731	270,885	682,731
Cost of fund raising events	41,832	77,561	41,832	125,196
Expenditure of trading subsidiary	33,010	877,848	-	-
	<u>345,726</u>	<u>1,638,140</u>	<u>312,717</u>	<u>807,927</u>
Attributable to funds as follows:				
Unrestricted	250,519	1,111,122	217,508	280,909
Restricted	95,208	527,018	95,208	527,018
	<u>345,726</u>	<u>1,638,140</u>	<u>312,717</u>	<u>807,927</u>

Trustees revised the split of costs in the comparatives to more accurately represent the use of costs.

THE ARCHIE FOUNDATION

NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS - 31 DECEMBER 2020

7. EXPENDITURE ON CHARITABLE ACTIVITIES

	Group		Charity	
	2020	2019	2020	2019
	£	£	£	£
Direct costs				
Staff costs	237,347	291,588	237,345	291,588
Grant funding (note 8)	369,414	1,856,765	369,414	1,856,765
	<u>606,761</u>	<u>2,148,353</u>	<u>606,759</u>	<u>2,148,353</u>
Support costs				
Staff costs	136,796	171,144	136,796	171,144
Depreciation	4,630	7,170	4,630	7,170
Gain on disposal of assets	189	80	189	80
Marketing	4,212	36,354	4,212	36,354
Establishment costs	8,652	12,244	8,652	12,244
Computer and IT	13,179	16,356	13,179	16,356
Office expenditure	13,132	19,144	13,132	19,144
Training and recruitment	320	277	320	277
Travel and subsistence	3,421	15,092	3,421	15,092
Audit and accountancy fees	11,010	14,842	11,010	14,842
Professional fees	9,532	17,539	9,532	17,539
	<u>205,073</u>	<u>310,242</u>	<u>205,073</u>	<u>310,242</u>
Total	<u>811,834</u>	<u>2,458,595</u>	<u>811,834</u>	<u>2,458,595</u>
Attributable to funds as follows:				
Unrestricted funds	423,969	588,575	423,969	588,575
Restricted funds	387,865	1,870,020	387,865	1,870,020
	<u>811,834</u>	<u>2,458,595</u>	<u>811,834</u>	<u>2,458,595</u>

THE ARCHIE FOUNDATION
NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS - 31 DECEMBER 2020

8. ANALYSIS OF GRANTS

(a) Current year

	Direct funding £	Grant funding £	Support costs £	2020 £
Grants to institutions:				
NHS Grampian	45,241	262,667	-	307,908
NHS Tayside	566	-	-	566
NHS Highland	32,810	1,047	-	33,857
Other institutions	-	-	-	-
Grants to institutions	87,338	263,714	-	342,331
Grants to individuals	3,865	23,218	-	27,083
Total - group and charity	82,482	286,932	-	369,414

(b) Prior year

	Direct funding £	Grant funding £	Support costs £	2019 £
Grants to institutions:				
NHS Grampian	222,822	576,954	-	799,776
ARCHIE Global Surgery	109	-	-	109
NHS Tayside	2,157	872,174	-	874,331
NHS Highland	98,283	(3,738)	-	94,545
Other institutions	22,941	-	-	22,941
Grants to institutions	346,312	1,445,390	-	1,791,702
Grants to individuals	-	65,063	-	65,063
Total - group and Charity	346,312	1,510,453	-	1,856,765

THE ARCHIE FOUNDATION
NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS - 31 DECEMBER 2020

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

	Group		Charity	
	2020	2019	2020	2019
	£	£	£	£
Depreciation				
-owned assets	4,630	18,200	4,630	7,170
Auditors' remuneration				
-audit fees	10,200	11,550	9,180	10,395
	<u>10,200</u>	<u>11,550</u>	<u>9,180</u>	<u>10,395</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	
	2020	2019
	£	£
Average number of employees during the year:		
Fundraising	9	12
Administration	6	7
Charitable activity	6	7
Trustees	11	11
	<u>32</u>	<u>37</u>

	Group & Charity	
	2020	2019
	£	£
Staff costs:		
Wages and salaries	560,866	728,190
Social security costs	46,023	64,644
Pension costs	27,760	33,017
	<u>634,649</u>	<u>825,851</u>

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

	2020	2019
	No.	No.
£60,000 - £69,999	<u>1</u>	<u>1</u>

THE ARCHIE FOUNDATION

NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS - 31 DECEMBER 2020

10. STAFF COSTS AND NUMBERS (continued)

The average number of key management personnel during the year was 5 (2019 - 6). At the year end there was a total of 2 key members of staff.

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

	2020 £	2019 £
Key management personnel	<u>261,993</u>	<u>295,220</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.

During the year expenses of £1,271 (2019 - £2,877) were paid to 4 (2019: 4) of the directors in relation to travel costs and charitable expenditure. This comprised £1,223 (2019 - £2,438) paid directly to trustees and £48 (2019 - £439) paid to third parties for expenses incurred.

THE ARCHIE FOUNDATION
NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS - 31 DECEMBER 2020

12. TANGIBLE FIXED ASSETS

Group & Charity	Fixtures & fittings £	Computer equipment £	Total £
Cost			
At 1 January 2020	18,291	48,480	66,771
Disposals	(1,792)	(23,728)	(25,520)
At 31 December 2020	<u>16,498</u>	<u>24,784</u>	<u>41,251</u>
Depreciation			
At 1 January 2020	14,483	44,351	58,834
Charge for year	952	3,677	4,630
Disposals	(1,603)	(23,728)	(25,331)
At 31 December 2020	<u>13,832</u>	<u>24,300</u>	<u>38,132</u>
Net book value			
At 31 December 2020	<u>2,667</u>	<u>452</u>	<u>3,119</u>
At 31 December 2019	<u>3,808</u>	<u>4,129</u>	<u>7,937</u>

13. FIXED ASSET INVESTMENTS

	Group		Charity	
	2020 £	2019 £	2020 £	2019 £
Investment in subsidiary undertakings	<u>-</u>	<u>-</u>	<u>2</u>	<u>2</u>

The charity owns 100% of the issued 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 remaining café in Inverness closed early in 2020.

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 2020

13. FIXED ASSET INVESTMENTS (continued)

	Charity	
	2020 £	2019 £
Income	26,102	1,282,277
Cost of sales	(19,966)	(748,297)
Administration expenses	(14,664)	(121,972)
Contribution from ARCHIE towards charitable activities	-	-
Tax charge for year	1,620	(7,579)
	<hr/>	<hr/>
(Loss)/profit in the year	(6,908)	404,429

	Charity	
	2020 £	2019 £
The assets and liabilities of the subsidiary at 31 December were:		
Fixed assets		-
Current assets	3,146	435,527
Creditors: amounts falling due within one year	(1,665)	(427,138)
	<hr/>	<hr/>
Total net assets	1,481	8,389
	<hr/>	<hr/>
Aggregate share capital and reserves	1,481	8,389

14. DEBTORS

	Group		Charity	
	2020 £	2019 £	2020 £	2019 £
Trade debtors	7,127	44,476	7,127	41,162
Amounts due from subsidiary undertaking	-	-	1,000	375,414
Other debtors	84,896	228,535	82,066	225,776
Prepayments	20,000	7,541	20,000	4,114
	<hr/>	<hr/>	<hr/>	<hr/>
	112,023	280,552	110,193	646,466

THE ARCHIE FOUNDATION

NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS - 31 DECEMBER 2020

15. CURRENT ASSET INVESTMENTS

	Group		Charity	
	2020 £	2019 £	2020 £	2019 £
Fixed term bank deposits	<u>2,058,664</u>	<u>500,000</u>	<u>2,058,664</u>	<u>500,000</u>

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

	Group		Charity	
	2020 £	2019 £	2020 £	2019 £
Trade creditors	32,562	102,020	32,747	65,203
Amount due to group undertakings	-	-	2	2
Other taxation and social security costs	9,263	24,391	9,263	15,615
Accruals and deferred income	1,116,347	1,340,242	1,115,497	1,334,111
Other creditors	26,051	26,055	26,051	26,055
	<u>1,184,223</u>	<u>1,492,708</u>	<u>1,183,560</u>	<u>1,440,986</u>

17. FINANCIAL INSTRUMENTS

	Group		Charity	
	2020 £	2019 £	2020 £	2019 £
Financial assets				
Financial assets measured at amortised cost	<u>2,681,849</u>	<u>2,436,302</u>	<u>2,621,738</u>	<u>2,382,352</u>

THE ARCHIE FOUNDATION

NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS - 31 DECEMBER 2020

18. FUNDS

(a) Current year

	At 1 January 2020 £	Income £	Expenditure £	At 31 December 2020 £
Charity				
Restricted funds				
Angela Monica Fund	22,194	-	(92)	22,102
Baird Family Hospital Appeal	226,623	-	-	226,623
Dr Gray's Children's Ward	14,109	675	(1,029)	13,755
Friends of the Neonatal Unit	547,587	157,069	(239,863)	464,793
Royal Aberdeen Children's Hospital 10 Year Appeal	21,970	-	(10,564)	11,406
Royal Aberdeen Children's Tayside Appeal	59	-	(59)	-
Highland Appeal	14,195	105,342	(117,048)	2,489
Highland Appeal - Fresh Air	44,971	-	(240)	44,731
Grampian Child Bereavement Network	28,461	147,423	(55,651)	120,233
	<u>920,169</u>	<u>410,509</u>	<u>(424,546)</u>	<u>906,132</u>
Other restricted funds	156,755	48,524	(58,527)	146,752
Total restricted funds	<u>1,076,924</u>	<u>459,033</u>	<u>(483,073)</u>	<u>1,052,884</u>
Total unrestricted funds	<u>131,767</u>	<u>709,653</u>	<u>(641,477)</u>	<u>199,943</u>
Total funds - charity	<u><u>1,208,691</u></u>	<u><u>1,168,686</u></u>	<u><u>(1,124,550)</u></u>	<u><u>1,252,827</u></u>
Group				
Funds retained within subsidiary	8,387	26,102	(33,010)	1,479
Total funds - group	<u><u>1,217,078</u></u>	<u><u>1,194,788</u></u>	<u><u>(1,157,560)</u></u>	<u><u>1,254,306</u></u>

THE ARCHIE FOUNDATION
NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS - 31 DECEMBER 2020
18. FUNDS (Continued)
(b) Prior year

	At 1 January 2019 £	Income £	Expenditure £	Transfers £	At 31 December 2019 £
Charity					
Restricted funds					
Angela Monica Fund	23,433	-	(1,239)	-	22,194
Baird Family Hospital Appeal	111,057	191,677	(76,111)	-	226,623
Dr Gray's Children's Ward	22,620	50	(8,561)	-	14,109
Friends of the Neonatal Unit	472,192	517,422	(442,027)	-	547,587
Royal Aberdeen Children's Hospital 10 Year Appeal	181,221	113,604	(272,855)	-	21,970
Royal Aberdeen Children's Hospital Outdoor Play	120,618	4,835	(125,453)	-	-
Tayside Appeal	566,577	512,811	(1,079,329)	-	59
Highland Appeal	5,940	183,989	(175,734)	-	14,195
Highland Appeal - Fresh Air	139,269	8,000	(102,298)	-	44,971
Grampian Child Bereavement Network	1,253	62,076	(34,868)	-	28,461
	<u>1,644,180</u>	<u>1,594,464</u>	<u>(2,318,475)</u>	-	<u>920,169</u>
Other restricted funds	194,949	40,369	(78,563)	-	156,755
Total restricted funds	<u>1,839,129</u>	<u>1,634,833</u>	<u>(2,397,038)</u>	-	<u>1,076,924</u>
Total unrestricted funds	<u>100,877</u>	<u>900,374</u>	<u>(869,484)</u>	-	<u>131,767</u>
Total funds - charity	<u><u>1,940,006</u></u>	<u><u>2,535,207</u></u>	<u><u>(3,266,522)</u></u>	-	<u><u>1,208,691</u></u>
Group					
Unrestricted funds - charity	100,877	853,009	(822,119)	-	131,767
Funds retained within subsidiary	(20,644)	906,879	(877,848)	-	8,387
Transfer *	-	-	-	(177,545)	(177,545)
Unrestricted funds - group	<u>80,233</u>	<u>1,759,888</u>	<u>(1,699,967)</u>	<u>(177,545)</u>	<u>(37,391)</u>
Restricted funds - charity	1,839,129	1,634,833	(2,397,038)	-	1,076,924
Transfer *	-	-	-	177,545	177,545
Restricted funds - group	<u>1,839,129</u>	<u>1,634,833</u>	<u>(2,397,038)</u>	<u>177,545*</u>	<u>1,254,469</u>
Total funds - group	<u><u>1,919,362</u></u>	<u><u>3,394,721</u></u>	<u><u>(4,097,005)</u></u>	-	<u><u>1,217,078</u></u>

* The transfer from unrestricted to restricted funds represents that element of the funds, generated by the subsidiary in Tayside and Highland, which have been donated to the parent charity for use in those areas. These funds have been recognised as restricted fund income within the accounts of the charity.

THE ARCHIE FOUNDATION

NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS - 31 DECEMBER 2020

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.

Baird Family Hospital Appeal

The Baird Family Hospital Appeal was launched in October 2019 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

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 towards the Twin Operating Theatres in Tayside Children's Hospital. The appeal target £2m has now been accomplished and the appeal is now closed. ARCHIE will continue to have a presence in Tayside with future fundraising targeting unrestricted funds to support targeted needs within Tayside Children's Hospital and to allow the charity to expand its charitable offering, such as the introduction of emergency grant funding for families in 2021.

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 2020

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.

Grampian Child Bereavement Network

This is a restricted fund with the purpose of providing bereaved children and their families, NHS Staff and Schools with help and support when dealing with a bereavement. Support can be the provision of specialist bereavement books, dedicated volunteer visits and activity days for children and training and conferences for NHS staff, professionals from Social Work and other third sector, schools and volunteer bereavement responders.

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

(a) Current year

	Unrestricted funds £	Restricted funds £	Total Funds £
Group			
Fixed assets	3,119	-	3,119
Net current assets	198,303	1,052,884	1,251,187
	<u>201,422</u>	<u>1,052,884</u>	<u>1,254,306</u>
Charity			
Fixed assets	3,121	-	3,121
Net current assets	196,822	1,052,884	1,249,706
	<u>199,943</u>	<u>1,052,884</u>	<u>1,252,827</u>
Prior year			
	Unrestricted funds £	Restricted funds £	Total Funds £
Group			
Fixed assets	7,937	-	7,937
Net current assets	132,217	1,076,924	1,209,141
	<u>140,154</u>	<u>1,076,924</u>	<u>1,217,078</u>
Charity			
Fixed assets	7,937	-	7,937
Net current assets	123,830	1,076,924	1,200,754
	<u>131,767</u>	<u>1,076,924</u>	<u>1,208,691</u>

THE ARCHIE FOUNDATION

NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS - 31 DECEMBER 2020

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

	2020 £	2019 £
Net income/(expenditure) for the year (as per statement of financial activities)	37,228	(702,284)
Adjustment for:		
Depreciation charges	4,630	18,200
(Gain)/loss on disposal of fixed assets	188	2,112
Interest received	(8,819)	(11,079)
Decrease in debtors	168,529	335,839
(Decrease)/increase in creditors	(308,485)	939,978
Net cash flows from operating activities	<u>(106,729)</u>	<u>582,766</u>

21. RELATED PARTY TRANSACTIONS

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

During the year the company had no transactions with related parties.

22. 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.