



LauraLynn
IRELAND'S CHILDREN'S HOSPICE

The Children's Sunshine Home Trust
(a Trust established in 1925)
Also known as LauraLynn Children's Hospice

REPORT & FINANCIAL STATEMENTS

for the year ended 31 December 2017

TRUSTEES AND OTHER INFORMATION	2
TRUSTEES' REPORT	3-7
TRUSTEES' RESPONSIBILITIES STATEMENT	8
INDEPENDENT AUDITOR'S REPORT	9-11
STATEMENT OF FINANCIAL ACTIVITIES	12
BALANCE SHEET	13
STATEMENT OF CASH FLOWS	14
STATEMENT OF CHANGES IN RESERVES	15
NOTES TO THE FINANCIAL STATEMENTS	16-24

TRUSTEES AND OTHER INFORMATION

TRUSTEES

Niall McHugh
David Andrews
Nicholas Quigley
Michael O' Donoghue

OFFICE

Leopardstown Road
Foxrock
Dublin 18

REGISTRATION NUMBER

Charity Registration Number (RCN): **20154844**

SOLICITORS

Hayes Solicitors
Lavery House
Earlsfort Terrace
Dublin 2

BANKERS

Allied Irish Bank plc
Sandyford
Dublin 18

Permanent TSB
11 Upper Georges Street
Dun Laoghaire
Co. Dublin

Rabo Direct
Rabobank International Dublin Branch
Charlemont Place
Dublin 2

AUDITORS

Deloitte
Chartered Accountants and Statutory Audit Firm
Deloitte and Touche House
Earlsfort Terrace
Dublin 2

TRUSTEES' REPORT

The Trustees present herewith their audited financial statements for the financial year ended 31 December 2017. The Trust presents its financial statements in compliance with the Statements of Recommended Practice (SORP) FRS 102 – Accounting and Reporting for Charities, although not obliged to do so.

STRUCTURE, OBJECTIVES AND ACTIVITIES

The Children's Sunshine Home (a Trust established in 1925) was established to support the development of facilities at The Children's Sunshine Home (a company limited by guarantee), and subsequently CSH Childcare Services (a company limited by guarantee).

The Children's Sunshine Home Trust's (The Trust) primary function is to raise and invest funds, to enable the continued operation of the services of both of these companies. The services provided by the two benefiting companies are as follows:

- CSH Childcare Services (The Hospice Service) provides appropriate high quality home support, short break stays, step-down/crisis care and end-of-life care to children and families of children with life-limiting and life-threatening conditions.
- The Children's Sunshine Home (The Disability Service) provides care and support to children and adults with intellectual disabilities. It is also funded by the HSE under section 38 of the Health Act 2004.

Both services are run from the Trust's campus at Leopardstown Road, Foxrock, Co Dublin and are also known as LauraLynn Children's Hospice.

The Trustees act as guardians of the organisation's assets and are entrusted with the land and buildings at Leopardstown Road where both services operate. Since 1925 The Trust has raised funds, managed investments and made grants available to The Children's Sunshine Home.

Following a strategic review in 2002-2004 by The Children's Sunshine Home Trust, which provides care and support to children and adults with intellectual disabilities on the campus in Leopardstown, it was decided to address the needs of children requiring palliative care, and the Children's Sunshine Home Hospice Project was established to fundraise for a children's hospice building. In 2005 it joined forces with The LauraLynn Foundation (which ceased trading on 15th June, 2005), which had been established by Jane and Brendan McKenna, who also saw the need for respite and specialist care for children with life-limiting conditions, following their own personal experience with the deaths of their two daughters, Laura and Lynn.

The Hospice Service was established in 2011, and LauraLynn House was opened in September of that year in the Children's Sunshine Home campus. The service provides short breaks, symptom management, and end of life and crisis care to children with life-limiting conditions, and support to their whole family. It operates in tandem with The Children's Sunshine Home. Both legal entities use the operational name LauraLynn Children's Hospice, or LauraLynn. Both entities are governed by the same Board of Directors.

The service's philosophy of care is to treat each child as an individual with dignity and respect, to enable them to enjoy an enhanced quality of life. Each family is central to the care of their child.

The Hospice Service supports children who have life-limiting conditions – in other words, children who will have a shortened lifespan and will have a high level of nursing and medical need. They work closely in partnership with families, and with a range of health professionals from acute hospitals, community teams and other primary care services to support children in all aspects of their care.

The Disability Service also offers respite and residential services to children with complex disabilities in its Hazel House building, as well as residential care for 7 adults who have been in the care of The Children's Sunshine Home since they were children.

TRUSTEES' REPORT (CONTINUED)

Although the Trust does not employ any employees directly, the grants it makes facilitate a staffing complement which consists of non-clinical management and administrators, working alongside a range of nurses and health care assistants who deliver frontline care. In addition, as the needs of the services have grown, the range of allied health professionals continues to expand, and now includes physiotherapists, an occupational therapist, psychologist, social worker, music therapist, chaplain, play therapist and dietician.

LauraLynn is committed to extending hospice services to more children who need specialised care and support. From an advocacy perspective, along with several key stakeholders, the service is actively engaged in ongoing discussions with the HSE and the Department of Health to progress the children's palliative care agenda.

Today children as young as one week old are accessing the services, and the vision is that all children who need the service can access the service.

With a growing population of teenage children with life-limiting conditions, the service is also developing a Transition Care Pathway for all children from the age of 12, ensuring that the delivery of palliative care extends seamlessly from children's services into adult services when they are discharged from the hospice at 18 years.

Both The Children's Sunshine Home and CSH Childcare Services are limited by guarantee, are registered charities, and are known as LauraLynn Children's Hospice.

ACHIEVEMENTS AND PERFORMANCE

During 2017 the Trust raised €3,509,173 in donations from the public and businesses, and granted €3,612,885 to LauraLynn in order to run its service.

The grant enabled the benefiting companies to provide a broad range of services including Hospice, palliative care and bereavement services to children and their families.

The Trustees are satisfied that the governance and management of both The Children's Sunshine Home and CSH Childcare Services are of the highest standard.

FINANCIAL REVIEW

The statement of financial activities for the financial year ended 31 December 2017 and the balance sheet at that date are set out on pages 13 and 14. The net expenditure for the financial year amounted to €1,144,704 (2016: €665,700).

Donations were up over 4% in 2017 to €3,509,173 showing continued support from the public for the service that LauraLynn provides.

It cost €676,751 in fundraising and related activities to raise these funds. However, this included a one off investment of €395,500 to initially establish a regular donations direct debit campaign. This face to face campaign was run on the Trust's behalf by a third party agency, who recruited 1,963 new regular donors. It is hoped that this will yield over €312,000 annually into the foreseeable future.

The trust granted €3,612,885 to CSH Childcare Services to run its services. As the Children's Sunshine Home (The Disability Service) was funded under s.38 of the Health Act 2004, it did not need any further funding from the Trust.

The cash reserve of €9,469,859 represents 2.6 times the 2017 grant to the LauraLynn service. The Trustees are satisfied that this represents sufficient funding in the medium term to support the service.

FUTURE DEVELOPMENTS

The Trust intends to support LauraLynn into the foreseeable future.

SUBSEQUENT EVENTS

There have been no significant events affecting the Trust since the financial year end.

TRUSTEES' REPORT (CONTINUED)

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

RISK ANALYSIS

The Trustees consider that the following are the principal risk factors that could materially and adversely affect the Trust's future surplus or financial position:

- There is a dependence on the Health Services Executive (HSE) for short, medium and long term funding for the disability service. If this funding from the HSE was to cease it would severely impact on the Trust's ability to continue funding both services in the medium and long term. There is, however, a reasonable expectation that such funding will continue. The HSE have not indicated that it will withdraw this funding.
- The Trust is also dependent on voluntary contributions from the public for the continued funding of CSH Childcare Services. The Trustees are very much aware of maintaining the trust of the public, and so remain vigilant with regards to the management and governance of both Trust assets and funds, and the management and use of the grants made by it.
- If both streams of funding were to be withdrawn the current cash reserves (€9,469,859) would enable both services to continue for over one year at the current level of spend.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Trustees are ultimately responsible for the governance, strategic direction, ethos and values of the Trust. Additionally, they are also responsible for ensuring that the Trust operates an appropriate system of financial control and complies with relevant laws and regulations.

Both the Children's Sunshine Home and CSH Childcare Services are governed by the same Board of Directors, and the Trust makes grants available to both organisations to enable them to sustain their services where there is a shortfall.

The four Trustees of the Trust are also Directors of the Boards of the benefiting companies and the Trustees have no beneficial interest in either company.

The Directors of the two benefiting companies, including the Trustees of the Trust are non-executive, receive no remuneration for their services, are drawn from diverse backgrounds, and possess a wide range of skills and experience. They give their time and advice freely, and although they are entitled to reimbursement for vouched expenses no such claims have been made in 2017 or prior years. Each Director and Trustee are appointed for a period of three years having being recommended by the Nominations, Remuneration & Corporate Governance Committee, and are eligible for re-appointment for two further consecutive three year periods. The Board memberships of both companies comprise of a Board of ten directors.

In 2017 The Trustees met four times.

The Trustees, who served at any time during the financial year except as noted, were as follows:

TRUSTEE	ATTENDANCE AT MEETINGS
Niall McHugh (Chairman)	4/4
David Andrews	3/4
Nicholas Quigley	4/4
Michael O'Donoghue	4/4

TRUSTEES' REPORT (CONTINUED)

TRANSPARENCY AND ACCOUNTABILITY:

In LauraLynn, accountability and transparency are vitally important.

The Trustees take the commitment of donors, funders and the public very seriously, and honour it by providing clear and transparent information about how funds are raised, and how the money is accounted for and spent.

LauraLynn is registered with the Charities Regulatory Authority and is a 'Triple Lock Member' of Charities Institute Ireland. 'Triple Lock Membership' provides assurances with regard to ethical fundraising, transparent reporting under Charity SORP (Standard of Reporting Practice under FRS 102) and the principles of good governance. It is signed up to the ICTR regulations and adheres to the data protection law. It is also fully compliant with the obligations of the Vetting Bureau (Children and Vulnerable Adults) Act 2012 and have child protection policies and practices in place that are in line with Children First 2011.

The Board is satisfied that no incidences of fraud or financial mismanagement has occurred and remain vigilant with regard to this.

In addition to publishing the financial statements under SORP the company complies with The Governance Code for the Community, Voluntary and Charitable Sector in Ireland and reviews this annually in order to ensure compliance.

The Board members of the benefiting companies do not receive any remuneration in respect of their services to the charity and no top up payments are made to LauraLynn employees.

LauraLynn is fully compliant with the obligations of the Vetting Bureau (Children and Vulnerable Adults) Act 2012 and have child protection policies and practices in place that are in line with Children First 2011.

PUBLIC BENEFIT

LauraLynn is Ireland's only Children's Hospice and provides palliative care to children with life-limiting conditions and support to their families. With a focus on enhancing quality of life, LauraLynn provides support from diagnosis, to end of life, and throughout bereavement with a range of practical, emotional and medical care for the whole family.

LauraLynn takes a holistic approach to palliative care for children and young persons with life-limiting conditions and their families. Care is provided by an interdisciplinary team in partnership with other healthcare providers and specialists. It includes a range of services to meet the child and family needs – physical, emotional, social and spiritual.

Additionally there is a commitment to provide a 'home' for children and young adults with profound intellectual disabilities. New referrals for the adult residential care service are no longer accepted but the Board is committed to caring for those already resident in the service and supporting them to realise their ambitions and have dignity in their lives.

TRUSTEES' REPORT (CONTINUED)

INFORMATION RELEVANT TO ENVIRONMENTAL MATTERS

The Trust is committed to protecting the environment, and has an active programme in place to minimise adverse environmental impacts.

POLITICAL CONTRIBUTIONS

There were no political contributions made by the Trust during the year.

ACCOUNTING RECORDS

The Trust's accounting records are maintained at the Trust's offices at Leopardstown Road, Foxrock, Dublin 18.

DISCLOSURE OF INFORMATION TO AUDITORS

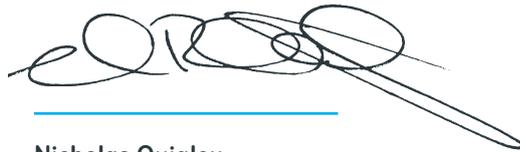
In the case of each of the persons who are Trustees at the time the Trustees' report and financial statements are approved:

- A) So far as the Trustee is aware, there is no relevant audit information of which the Trust's auditors are unaware; and
- B) Each Trustee has taken all steps that ought to have been taken by the Trustee in order to make themselves aware of any relevant audit information, and to establish that the Trust's auditors are aware of that information.

Signed on behalf of the Trustees:



Niall Mc Hugh
Trustee



Nicholas Quigley
Trustee

17th April 2018

TRUSTEES' RESPONSIBILITIES STATEMENT

The Board of Trustees is required to prepare financial statements of the Trust for each financial year which give a true and fair view of the state of the affairs of the Trust, and of the income and expenditure of the Trust for that year. In preparing those financial statements the Board of Trustees is required to:

- Select suitable accounting policies for the Trust financial statements and then to apply them consistently;
- Make judgements and estimates that are reasonable and prudent; and
- Prepare the financial statements on a going concern basis unless it is appropriate to presume that the Trust will continue in business.

The Board of Trustees is responsible for keeping proper books of account which disclose with reasonable accuracy the financial position of the Trust, and to enable them to ensure that the financial statements are prepared in accordance with the accounting policies. They are also responsible for safeguarding the assets of the Trust and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are also obliged to ensure that a financial and activity report is filed annually with the Charities Regulator, and that all letterheads, stationery leaflets, brochures, website and other media display the Registered Charity Number (RCN).

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES' OF THE CHILDREN'S SUNSHINE HOME

Report on the audit of the financial statements

Opinion on the financial statements of The Children's Sunshine Home Trust ("the Trust")

In our opinion the financial statements:

- give a true and fair view of the assets, liabilities and financial position of the Trust as at 31 December 2017 and of the net movement in funds for the financial year then ended; and
- have been properly prepared in accordance with the relevant financial reporting framework.

The financial statements we have audited comprise:

- the Statement of Financial Activities;
- the Balance Sheet;
- the Statement of Cash Flows;
- the Statement of Changes in Reserves;
- and the related notes 1 to 17, including a summary of significant accounting policies as set out in note 1.

The relevant financial reporting framework that has been applied in their preparation is FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("the relevant financial reporting framework").

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) 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 Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority, 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 ISAs (Ireland) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in 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 Trust'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 Reports and Financial Statements for the financial year ended 31 December 2017 other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES' OF THE CHILDREN'S SUNSHINE HOME

Report on the audit of the financial statements

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.

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement, the Trustees 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 are 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 Trust'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 Trust to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (Ireland) 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.

As part of an audit in accordance with ISAs (Ireland), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.
- Conclude on the appropriateness of the Trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES' OF THE CHILDREN'S SUNSHINE HOME

Report on the audit of the financial statements

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

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that the auditor identifies during the audit.

This report is made solely to the Trustees, as a body, in accordance with our engagement letter. Our audit work has been undertaken so that we might state to the 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 Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Deloitte

Chartered Accountants and Statutory Audit Firm
Deloitte & Touche House
Earlsfort Terrace
Dublin 2

17 May 2018

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

	NOTES	2017 Restricted Funds €	2017 Unrestricted Funds €	2017 Total €	2016 Restricted Funds €	2016 Unrestricted Funds €	2016 Total €
INCOME FROM:							
Donations and fundraising income	3	245,336	3,263,837	3,509,173	667,684	2,703,107	3,370,791
Investment income		—	31,370	31,370	—	65,998	65,998
Other income		—	—	—	—	2,697	2,697
Total Income		245,336	3,295,207	3,540,543	667,684	2,771,802	3,439,486
EXPENDITURE ON							
Fundraising activities	4	—	676,751	676,751	—	441,836	441,836
Funds transferred for the operations of LauraLynn Hospice to CSH Services	5	174,408	3,438,477	3,612,885	420,625	2,858,662	3,279,287
Total Expenditure		174,408	4,115,228	4,289,636	420,625	3,300,498	3,721,123
Net (expenditure)/income before depreciation		70,928	(820,021)	(749,093)	247,059	(528,696)	(281,637)
Depreciation	8	(14,600)	(381,011)	(395,611)	(14,600)	(369,463)	(384,063)
Net movement in Funds		56,328	(1,201,032)	(1,144,704)	232,459	(898,159)	(665,700)
Reconciliation of funds:							
Total funds brought forward		572,465	24,954,168	25,526,633	340,006	25,852,327	26,192,333
Total funds carried forward		628,793	23,753,136	24,381,929	572,465	24,954,168	25,526,633

BALANCE SHEET

AS AT 31 DECEMBER 2017

	NOTES	2017 €	2016 €
FIXED ASSETS			
Tangible Assets	8	15,425,077	15,761,347
CURRENT ASSETS			
Debtors	9	1,426	15,687
Cash at bank and in hand		9,469,859	10,106,836
		9,471,285	10,122,523
CURRENT LIABILITIES			
Creditors: Amounts falling due within one year	10	(514,433)	(357,237)
Net current assets		8,956,852	9,765,286
Net Assets		24,381,929	25,526,633
REPRESENTED BY			
Restricted funds	11/12	628,793	572,465
Unrestricted funds – LauraLynn Hospice and Community Programme	12	13,267,876	14,210,885
Valuation reserve	13	10,485,260	10,743,283
		24,381,929	25,526,633

The financial statements were approved by the Trustees on 17th April 2018 and signed on its behalf by:



Nial Mc Hugh
Director



Nicholas Quigley
Director

STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

	NOTES	2017 €	2016 €
Net cash flow from charitable activities	14	(577,637)	(7,598)
Cash flows from investing activities			
Purchase of fixed assets	8	(59,340)	(137,027)
Change in cash and cash equivalents in the year		(636,977)	(144,625)
Cash and cash equivalents at beginning of financial year		10,106,836	10,251,461
Cash and cash equivalents at end of financial year		9,469,859	10,106,836

STATEMENT OF CHANGES IN RESERVES

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

	Restricted Funds €	Unrestricted Funds €	Valuation Reserve €	Total €
At 1 January 2016	340,006	14,851,021	11,001,306	26,192,333
Net expenditure before depreciation	247,059	(528,696)	—	(281,637)
Depreciation	(14,600)	(111,440)	(258,023)	(384,063)
At 31 December 2016	572,465	14,210,885	10,743,283	25,526,633
Net (expenditure)/income before depreciation	70,928	(820,021)	—	(749,093)
Depreciation	(14,600)	(122,988)	(258,023)	(395,611)
At 31 December 2017	628,793	13,267,876	10,485,260	24,381,929

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

1. ACCOUNTING POLICIES

The principal accounting policies are summarised below. They have all been applied consistently throughout the financial year, and to the preceding year.

Basis of Accounting

The financial statements have been prepared under the historical cost convention in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

The functional and presentational currency of the Trust is considered to be the Euro (€) as that is the currency of the primary economic environment in which the Trust operates.

Recognition of Income

- (i) Public donations and similar income arising from fundraising events are accounted for when received. As with many similar charitable organisations, independent groups from time to time organise fundraising activities in the name of LauraLynn. However, as amounts collected in this way are outside the control of the Trust, they are not included in the financial statements until received by the Trust.
- (ii) Legacy income is recognised: (a) in the period that it is received or (b) where it is probable that the legacy will be received and the value of the legacy can be measured with sufficient accuracy.
- (iii) Grant income from operating activities, in furtherance of the charity's objects is accounted for on a receivable basis.
- (iv) Interest income is recognised in the period in which it is earned.
- (v) Capital grants received are credited to restricted income and released to the unrestricted reserves as the related depreciation on the capital item is incurred.

Recognition of Expenditure

- (i) Expenditure is analysed between charitable activities (activities in furtherance of the charity's objects), raising funds and funds transferred for the operations.
- (ii) Expenditure is recognised in the period to which it relates. Expenditure incurred but unpaid at the balance sheet date is included in accruals and other creditors. Charitable expenditure comprises all expenditure incurred by the charity in meeting its charitable objectives as opposed to the costs of raising funds to finance these activities, or the costs associated with governance.
- (iii) Expenditure in support of CSH Childcare Services is recognised as charitable expenditure in the period in which it occurs.

Governance Costs

Governance costs are the costs associated with the stewardship arrangements of the Trust. They comprise of costs arising from constitutional and statutory obligations, as well as costs associated with the strategic management of the Trust's activities. Typical costs would be internal and external audit costs.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

1. ACCOUNTING POLICIES

Going Concern

The organisation's forecast and projections, taking account of reasonable possible changes in performance, show that the organisation will be able to operate within the level of it's current cash and investment resources. The Board has a reasonable expectation that the organisation has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements. Accordingly, these financial statements do not include any adjustments to the carrying amount and classification of assets and liabilities that may arise if the Trust was unable to continue as a going concern.

Designated Funds

Designated funds represent amounts that the Trustees may at their discretion and/or with the agreement of the original donors of the funds, set aside funds for specific purposes in the furtherance of the charity's objects, which would otherwise form part of the unrestricted reserves of the Trust.

Restricted Funds

Restricted funds represent income, which has been received and recognised in the financial statements, which is subject to specific conditions imposed by the donors or grant making institutions. Donations or grants may become repayable in the event that the conditions of the related agreements are not adhered to.

Unrestricted Funds

General funds represent amounts which are expendable at the discretion of the Trust in furtherance of the objects of the charity. Such funds may be held in order to finance working capital or capital investment.

Foreign Currency

Transactions in foreign currency are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. All differences are taken to the Statement of Financial Activities.

Tangible Fixed Assets

Freehold buildings are stated at cost or valuation, less accumulated depreciation. The Trust properties excluding LauraLynn House were professionally valued at 1 June 2012 and are carried at this amount less accumulated depreciation. Fixed asset additions after that date will be reflected at cost, less accumulated depreciation. Depreciation of fixed assets is charged on a straight line basis over their expected useful lives as follows:

Land and Buildings	–	50 years
Equipment	–	5 years
Computer Software	–	3 years

Residual value represents the estimated amount which would currently be obtained from disposal of an asset, after deducting estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

1. ACCOUNTING POLICIES

Taxation and Charitable Status

There is no taxation arising on the results for the financial year.

Financial Instruments

Financial assets and financial liabilities are recognised when the Trust becomes a party to the contractual provisions of the instrument.

Financial liabilities are classified according to the substance of the contractual arrangements entered into.

Financial assets and liabilities

All financial assets and liabilities are initially measured at transaction price (including transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a finance transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial assets expire or are settled, b) the Trust transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the Trust, despite having retained some significant risks and rewards of ownership, has transferred control of the asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise the ability unilaterally and without needing to impose additional restrictions on the transfer.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

Balances that are classified as payable or receivable within one year on initial recognition are measured at the undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

Impairment of Assets

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below.

An asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced to below its carrying amount. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

Where indicators exist for a decrease in impairment loss, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Trust's accounting policies, which are described in note 1, the Trustees are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements and estimates in applying the Trust's accounting policies

The following are the critical judgements and estimates that the Trustees have made in the process of applying the accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

(i) Useful economic lives

The annual depreciation charge for tangible fixed assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. Determination of appropriate useful economic lives is a key judgement and the useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets.

3. DONATIONS AND FUNDRAISING INCOME

	2017 Restricted €	2017 Unrestricted €	2017 Total €	2016 Total €
Donations	236,655	1,852,044	2,088,699	2,085,852
Fundraising	8,681	1,278,801	1,287,482	1,060,573
Bequests and legacies	—	16,313	16,313	59,872
Other	—	116,679	116,679	164,494
	245,336	3,263,837	3,509,173	3,370,791

4. DONATIONS AND FUNDRAISING INCOME

	Activities undertaken directly €	Support Costs €	2017 Total €	2016 Total €
Fundraising events & merchandise	80,076	466,491	546,567	322,963
Overheads & indirect expenditure	—	130,184	130,184	118,873
	80,076	596,675	676,751	441,836

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

5 FUNDS TRANSFERRED FOR THE OPERATION OF THE LAURALYNN HOSPICE IN CSH CHILDCARE SERVICES

	2017 Restricted €	2017 Unrestricted €	2017 Total €	2016 Total €
Charitable activities	174,408	2,786,840	2,961,248	2,781,945
Fundraising Services	—	651,637	651,637	497,342
	174,408	3,438,477	3,612,885	3,279,287

6. REMUNERATION AND EMPLOYEES

The Trustees do not receive any remuneration for their services. They give their time and advice freely and although they are entitled to reimbursement for vouched expenses no such claims have been made in 2017 or prior years.

There are no employees of the Trust.

7. TAXATION

There is no taxation arising on the result for the financial year as a result of the Trust's charitable status.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

8. FIXED ASSETS

	Equipment €	Land and Buildings €	Total €
Cost:			
At 1 January 2017	216,322	17,220,799	17,437,121
Additions	47,853	11,487	59,340
At 31 December 2017	264,175	17,232,286	17,496,461
Depreciation:			
At 1 January 2017	109,787	1,565,987	1,675,774
Charge for financial year	50,086	345,525	395,610
At 31 December 2017	159,873	1,911,512	2,071,384
Net Book Value:			
At 31 December 2017	104,302	15,320,774	15,425,077
Net Book Value:			
At 31 December 2016	106,535	15,654,812	15,761,347

The Trust properties excluding LauraLynn House were valued at €11,980,000 on 1 June 2012 by Independent Chartered Surveyors O'Malley and Associates. This valuation less accumulated depreciation to date of transition was deemed cost on transition to FRS 102. LauraLynn House is included at its construction cost. The trustees are satisfied that the carrying value of land and buildings is not impaired.

9. DEBTORS

Amounts falling due within one year:	2017	2016
	€	€
Other debtors	1,426	15,687

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

10. CREDITORS

	2017 €	2016 €
Amounts falling due within one year:		
Due to CSH Childcare Services	21,183	49,691
Due to The Children's Sunshine Home	493,250	264,233
Accruals	—	43,313
	514,433	357,237

11 RESTRICTED FUNDS

	2017 €	2016 €
Capital Grants		
At 1 January	44,208	58,808
Amortisation in the year	(14,600)	(14,600)
	29,608	44,208
Donor Restricted Funds	599,185	528,257
Total Restricted Funds	628,793	572,465

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

12 RESTRICTED AND UNRESTRICTED TRUST FUNDS

	Restricted Funds (Note11) €	Unrestricted Funds LauraLynn Hospice & Community Programme €	Total Restricted & Unrestricted Funds 2017 €	Total Restricted & Unrestricted Funds 2016 €
Fund balances at 1 January 2017	572,465	14,210,885	14,783,350	15,191,027
Net income/(expenditure)	70,928	(820,021)	(749,093)	(281,637)
Depreciation	(14,600)	(122,988)	(137,588)	(126,040)
Fund Balances at 31 December 2017	628,793	13,267,876	13,896,669	14,783,350

Analysis of Trust net assets between funds:	Restricted Funds (Note12) €	Unrestricted Funds LauraLynn Hospice & Community Programme €	Total Restricted & Unrestricted Funds 2017 €
Tangible fixed assets	29,608	4,910,209	4,939,817
Cash *	599,185	8,870,674	9,469,859
Net current assets	—	(513,007)	(513,007)
Fund balances at 31 December 2017	628,793	13,267,876	13,896,669

* The cash reserve of €9,469,859 represents 2.6 times the 2017 grant to the LauraLynn Service. The Trustees are satisfied that this represents sufficient funding in the medium term to support the service.

13 VALUATION RESERVE

	2017 €	2016 €
Valuation reserve at 1 January	10,743,283	11,001,306
Depreciation	(258,023)	(258,023)
Valuation reserve at 31 December	10,485,260	10,743,283
Represented by:	€	€
Tangible fixed assets	10,485,260	10,743,283

The valuation reserve represents the valuation of Trust properties excluding LauraLynn House at €11,980,000 on 1 June 2012 less its accumulated depreciation since its valuation date.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

14 STATEMENT OF CASH FLOWS

	2017 €	2016 €
Reconciliation of net expenditure to cash generated by charitable activities:		
Net expenditure	(1,144,704)	(665,700)
Depreciation	395,610	384,064
Decrease in debtors	14,261	25,440
Increase in creditors	157,196	248,598
Net cash flow from charitable activities	(577,637)	(7,598)

15. RELATED PARTY TRANSACTIONS

The Children's Sunshine Home Trust was established to support the development of facilities at The Children's Sunshine Home, and subsequently LauraLynn Children's Hospice, Leopardstown Road, Foxrock, and to fundraise on their behalf. In order to meet the demand for the level of services provided by the Trust, financial support above that provided by the HSE is required. The Trust provides this funding with the support of donors and volunteers.

The four Trustees are also directors of the Boards of the benefiting companies. The Board memberships of both entities comprise of a Board of 10 directors, and the Trustees have no beneficial interest in either company.

In 2017 the Trustees transferred funds of €3,612,885 (2016: €3,279,287) to cover the costs of CSH Childcare Services and fundraising costs on behalf of the Trust.

CSH Childcare Services is a wholly owned subsidiary of The Children's Sunshine Home and during the financial year, funds are initially transferred to The Children's Sunshine Home for CSH Childcare Services. Balances at year end represent expenses paid or payable by the trust not yet transferred to CSH Childcare Services. The amount due from the trust to CSH Childcare Services was €21,183 (2016: €49,691), and to The Children's Sunshine Home was €493,250 (2016: €264,233).

16 FINANCIAL INSTRUMENTS

	2017 €	2016 €
Financial assets		
<i>Measured as undiscounted amounts receivable</i>		
Other debtors (Note 9)	1,426	15,687
Financial liabilities		
<i>Measured as undiscounted amounts payable</i>		
Due to CSH Childcare Services (Note 10)	21,183	49,691
Due to The Children's Sunshine Home (Note 10)	493,250	264,233

