KIDS OPERATING ROOM

(A company limited by guarantee and not having share capital)

(Company Number: SC585374)
(Charity Number: SC048523)

DIRECTORS' CONSOLIDATED ANNUAL REPORT AND ACCOUNTS

31 DECEMBER 2023

CONTENTS

KIDS OPERATING ROOM
LEGAL AND ADMINISTRATIVE INFORMATION

DIRECTORS AND CHARITY TRUSTEES

The Directors of the charitable company ("Kids OR") are known as its Trustees for the purposes of charity law. The Directors are:

Garreth R C Wood Executive Chairman
Nicola J C Wood
Graham Good
George G Youngson
Sarah T Masiyiwa
Lili Buffett (resigned 31 July 2023)

SECRETARY
Turcan Connell Company Secretaries Limited

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AUDITOR

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Chairman's Statement

I am delighted to present the Annual Report and Accounts of Kids Operating Room (KidsOR).

KidsOR has had another busy and productive year in 2023 as we started delivery of our new five-year strategy, which was launched in January. During the first year of this strategy, we achieved some key milestones:

- Midway through the year we reached our target of providing capacity for more than 100,000 children to access surgery.
- We opened our first Operating Room in Asia, at the Ataturk Hospital in Afghanistan, which is now our busiest operating room in terms of children getting surgery.
- We were delighted to win 2 national awards for our new Solar Surgery system, which provides Operating Rooms with a consistent power supply, increases patient safety and greatly reduces carbon emissions.
- At an event held in the House of Lords in London we looked at how the global health community can ensure children's surgery is considered in the health agenda of low-resource nations.
- Kids Operating Room USA held their first Board meeting in November and began to strategise on their own plans for development.
- We set up our commercial subsidiary, Global Hospital, with the aim of opening our expertise in healthcare development in low-resource setting. We started delivery and secured our first income.
- Throughout the year we hosted several MPs and MSPs to discuss advocating for our work and developing cross-party relationships in both the Scottish and UK parliaments.
- In November, a team of fundraisers from KidsOR ran the New York Marathon; an incredible experience that the team will never forget.
- Together they raised over one hundred thousand pounds, enough to provide more than 1,300 children with surgery.
- Nicola and the Comms team accompanied a journalist from the Scottish Sun newspaper to Zambia which led to a fantastic three day double spread in the Sun newspaper between Christmas and New Year, greatly promoting our global impact to people across Scotland.
- KidsOR facilitated the Botswana Surgical plan in 2023, with work beginning in early 2024, having secured a multi-million-pound donation at the start of 2024.

These are just a handful of the many incredible achievements throughout 2023 and Nicola and I are hugely grateful to the entire KidsOR team for their relentless work ethic, passion and commitment to our mission: a world where every child can access surgery when they need it.

With Operating Rooms now installed across more than 30 countries, we have created capacity for almost 140,000 operations since we started. Those operations have prevented over 3 million years of disability from ever happening and what's more, because these children can grow up and contribute to their nations' futures, the impact of these operations has added $4.3 Billion of economic value over the lifetimes of those children.

Nicola and I could not be prouder of our charity and the brilliant team behind it and we look forward to creating even more change as we continue to drive our new five-year strategy forward into 2024.

GARRETH WOOD
CHAIRMAN & CO-FOUNDER

The Trustees present their annual report and group consolidated accounts for the year ended 31 December 2023. The group consolidated accounts consists of the charity Kids Operating Room and its subsidiary company Global Hospital Limited.

Legal and administrative information set out earlier forms part of this report. The financial statements comply with current statutory requirements, the Articles of Association, 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)' and the Companies Act 2006.

Objectives and activities - the role of Kids Operating Room

Kids Operating Room (KidsOR) is a global health charity focused entirely on the provision of safe surgical services for children in low- and middle-income countries.

The focus of our work is to provide local surgeons and their teams with the necessary equipment and skills they need to maximise their potential impact.

We collaborated during 2023 with University of California, San Francisco (UCSF) to record and assess the impact of this approach. By providing our partner surgeons with regular patient data we support them to monitor quality of care, audit activity and plan for anticipated case load.

Achievements and Performance

In 2023 KidsOR continued to make strides towards delivering our vision to ensure children have access to safe surgery when they need it.

By the end of 2023 we had opened 76 operating rooms with a further 9 in transit - each one comprising of more than 3,000 individual items of brand-new surgical equipment and every one individually designed to suit the local team, the local hospital and to create an environment suitable for local children.

We celebrated a number of achievements during 2023 including opening our first operating room in Asia, in Kabul, to deliver much needed care to the children of Afghanistan. We rolled out our Solar Surgery system and were delighted to win multiple awards recognising its game changing impact – we won the 'Best Use of Technology' and 'Sustainability' Awards at the prestigious Charity Times Awards and were a finalist for 'Best Use of Technology' in the UK Sustainability Awards.

We know that every operating room we open will provide capacity for at least 600 children a year to access urgently needed care. With evidence emerging that the capacity created may be higher than this, in 2024 we will be using our global data hub to review the capacity created now that we have an extensive network of operating rooms and many additional surgeons having graduated through our scholarship programmes.

Our research activity also helps us assess how our operating rooms improve quality of care, not just quantity of care. With a solid and growing base of evidence we have been delighted during 2023 to continue to raise awareness of the important part surgery plays in strengthening health systems. We were pleased to gather influential stakeholders at a global health event in the House of Lords, Westminster to explore how the global health community can ensure children's surgery is part of the global health agenda.

Our work to support local partners in health system strengthening continued during 2023 with our team providing support to the government of Botswana to prepare a detailed plan for the development of paediatric surgery in the country – in early 2024 funding has been secured to deliver this plan over the next few years. A similar report was concluded during 2023 for Uganda and efforts remain underway to secure funds for this work.

During 2023, the Pan African Paediatric Surgery E-Learning Platform (PAPSEP) continued to grow with 160 users now regularly accessing the programme. This substantial project has been delivered with partners at the Royal College of Surgeons of Ireland (RCSI) and both main Colleges of Surgeons in Africa. It is the world's first e-learning platform for paediatric surgery that is designed for, and written by, low-income country surgeons with the objective of helping drive up the skill set and overall quality of graduating surgeons. Work began during 2023 on the development of an e-learning platform for paediatric anaesthesia, supported by Smile Train and Kids Operating Room and in collaboration with RCSI.

14 more trainees started on paediatric surgery scholarships during 2023 and we worked closely with our partners Smile Train and The Elma Philanthropies to continue to grow the numbers of surgeons delivering care in Africa. By the end of 2023,14 scholars had graduated through our programmes.

We were excited in 2023 to successfully complete the pilot for our award-winning Solar Surgery system, which we deployed into a selection of pilot sites alongside our partner Smile Train. Following the pilot, we are now rolling Solar Surgery systems out across a range of sites with Smile Train and we have also received generous support from the Scottish Government to equip hospitals across Rwanda, Malawi and Zambia with the system. The Solar Surgery system now forms a core part of all of our new operating rooms, not only tackling the challenge of inconsistent electricity supply but also helping reduce the carbon footprint of the hospital and protecting sensitive electrical equipment.

Since 2021, during the Covid 19 pandemic, KidsOR has worked in partnership with the Scottish Government to provide PPE to a number of low-income countries. This partnership has continued during 2023 with the donation of hygiene materials that will enable us to continue to help equip many of our partner hospitals to work effectively and safely.

We consolidated our commitment to Social Responsibility during 2023, achieving Planetmark Accreditation and measuring our baseline Carbon Footprint.

Structure and Governance

KidsOR was formed to support the creation and development of surgical services for children in low- and middle-income countries.

Kids Operating Room is a charity registered in Scotland number SC048523 and a company limited by guaranteed number SC585374. The Articles of Association reflect the current activities of the charity and the Trustees are responsible for reviewing the Articles, the strategy of the charity, governance systems and monitoring performance in line with the strategic objectives.

2023 was the first year of delivery of the ambitious five-year strategy set by the Trustees at the end of 2022. The overarching aim of this is to see the creation of capacity for an additional 200,000 safe operations for children each and every year created by Kids Operating Room by the end of 2027. The Board of Trustees devolve day-to-day management of the charity to the Chief Executive, David Cunningham.

The Trustees are required to disclose all relevant interests and register them with the Chief Executive. 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, considering the recommendations made to them by management and any advisory committees/groups. In 2023 the Board continued to develop its structure for securing clinical advice, actively engaging with the surgeons in hospitals we support in assessing how we can best learn from those with experience of using our facilities.

Charitable Expenditure Policy

Kids Operating Room has a focused grant making policy centred on children's surgery in low- and middle-income countries. We will not normally fund projects that do not directly relate to the development and delivery of safe surgery for children in these countries.

Our funding is typically provided to support existing surgeons to deliver greater access to care or for trainee paediatric surgeons or anaesthesia providers to complete specialised training. We do not fund other organisations to deliver infrastructure projects on our behalf.

Hospitals can apply to us for an infrastructure investment through our application process (available in English, French and Spanish) although we mostly identify hospitals for investment through discussion with the relevant Ministry of Health, key partners, and local surgical societies.

Remuneration Policy

The pay of the charity's staff is reviewed annually by the Board. While recognising the on-going challenges of recruitment in the sector, the salary levels of staff are benchmarked against similar organisations working in global health and local markets 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.

Trustees

Trustees are appointed for three-year terms with an option to stand for re-election at the end of each three-year period. Trustees are generally invited to join the Board following identification of a required skill-set and subsequent identification of a suitable individual. This could follow open advertisement or recommendation of an individual.

Once appointed, Trustees receive an induction from the Chief Executive with new Trustees required to enhance their knowledge through meetings with other members of the Board and, where possible, tours of the charity's UK facilities. The Chief Executive will also spend time with the Trustees during their first year to ensure they are fully informed of the work of the charity and able to access all the information they wish to.

During 2023 one Trustee, Lili Buffett, resigned from the Board of Kids Operating Room to allow her to take up the position of President of Kids Operating Room USA, thus preventing any potential conflict of interest between the two separate organisations.

The terms of office, appointment process and wider governance of the charity were reviewed in 2018 as part of the formation of the charity. The Board has a mix of clinical and non-clinical representation.

During 2023, and up to the date of signing, the following individuals served as Trustees of the charity and as directors of the company, and their attendance at Board is set out below.

Trustee	Board April	Board November
Garreth Wood	✓*	✓*
Nicola Wood	✓	✓
Graham Good	✓	✓
George Youngson	✓	✓
Sarah Masiyiwa	✓	✓
Lili Buffett	✓	resigned in July 23

*Chair

2023 Financial Performance

Kids Operating Room had budgeted for a deficit in 2023 due to the planned delivery of funded projects, and our financial report returned a deficit of £1.9m.

This result was driven by the fact that during 2023 we focussed on delivery of a number of significant programmes where the funding had been secured during 2022. New income for the year was £5.8m compared to £7.1m in 2022, reflecting reduced fundraising resource as we focussed on building a new team in that area. We continued to benefit from gift-in-kind support primarily from DC Thomson who kindly donated warehouse space to the charity and from The Speratus Group (owned by our chairman), who own the building where our head office is based, some of which is provided as gift-in-kind support to the charity.

As expected, total reserves decreased by £1.9m, with charitable expenditure in 2023 of £7.8m (2022 - £4.2m) as we delivered on our funded programmes of activity.

Reserves Policy

Our aim is to generate a level of surplus that maintains sufficient reserves to ensure liquidity, provides headroom for strategic investment and ensures resilience against financial risks. Given the specifics of accounting rules for revenue that require recognition in the year when a commitment is secured this means that there can be significant variations in reported results where projects cross years. Our aim therefore is to ensure we maintain reserves over the medium-term taking account of cross year variations. The Board have considered the reserves required, taking into account current and future liabilities, and have agreed that a target minimum cash balance of £2m should be maintained.

Risk

The Board has considered its risk appetite during 2023 and the organisation maintains a risk register that is frequently reviewed and updated by the Senior Management Team and considered by the Board.

KidsOR is exposed to external risks arising from the economic climate and inflation, with the ongoing impact of global conflicts and cost of living crisis posing a risk to the ability of charities in all sectors to raise funds. KidsOR is investing in growing the fundraising team and our 5-year strategy takes steps to diversify the income sources.

In terms of our operations, the primary risk facing the charity remains loss or injury to a team or individual working overseas in a low-resource and/or hostile setting. The charity ensures staff travelling to such places are suitably prepared and deploys significant security systems and training to ensure staff remain safe. Beyond this, risks associated with general health and safety activities in our warehouse remain a constant threat and all staff/volunteers working for the charity are required to undertake training courses before being allowed to commence their duties. Investment has also been made in advanced training for relevant staff.

Risks associated with reputational damage remain high in our awareness. All staff and volunteers receive safeguarding training which is repeated frequently, and staff are required to embed safeguarding into their daily duties, especially those working overseas.

An increasing number of US based donors, donating or granting in USD, presents a risk to the charity as exchange rates vary and these are monitored to manage impact in this area, whilst an element of purchasing in USD helps to mitigate this risk.

As the recruitment market continues to be difficult, and at a time of growth for the charity, we are alert to the risks that any difficulties in recruitment and retention may pose to our operations. During 2023 the charity has focussed on this area with key steps including our flexible working policies, strong commitment to supporting staff through the cost-of-living challenges and a focus on staff engagement.

Investment Policy

The Board continued to opt for funds to remain available for use during 2023 and has not deployed an investment policy at this time. As the organisation grows KidsOR will continue to monitor options for putting an investment policy in place.

Plans for the Future

In 2022 the Board defined an ambitious strategy for the next 5 years to move closer to our vision of a world where every child has access to safe surgery, which we started to deliver during 2023.

We have set out four key strategic objectives to deliver the strategy. By 2027 we will:

- Create capacity for 200,000 children a year to access safe surgery.
- Deliver 1,000 training opportunities.
- Collect data in selected new partner hospitals for at least 3 years followed by a transition to locally led data control.
- Publish peer reviewed publications, in high-impact journals.
- Continue to advocate for a funding shift towards wider health system strengthening (including surgery) from donor nations.

We have set out our 2024 Business Plan with clear targets and performance indicators at team and individual levels, defining the steps we will take in 2024 to drive these strategic objectives forward.

We undertook a consultation with some of our team at the end of 2023 on the impact of the changing strategic needs, particularly as related to regional support as we grow. As a result of this consultation, we closed our Nairobi office in early 2024 with a view to moving away from remote, continent-wide infrastructure towards a new regional structure for more local intelligence collection and provision of support to partner hospitals.

During 2023 we continued to explore the potential for commercial opportunities around our areas of expertise as part of the diversification of revenue, in line with our strategy, and set up our trading subsidiary Global Hospital Limited, which is consolidated in these accounts.

During 2022 a charitable body was set up in the USA, Kids Operating Room USA Inc, who intend to work with KidsOR to raise funds to deliver high impact projects in low-resource settings. During 2023 KidsOR worked in close partnership with Kids Operating Room USA Inc as they launched their fundraising efforts.

Connected Bodies

Graham Good was a Trustee of The Wood Foundation and Garreth Wood became a Trustee of the Wood Foundation in the early part of 2024. Garreth Wood and Graham Good are Directors of the Speratus Group. The Speratus Group owns the building where our head office is based, some of which is provided as gift-in-kind support to the charity.

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 reviewed the risks to the charity and its ability to continue to raise funds in the future.

Provision of Information to the Auditor

Each of the persons who are directors at the time when the Directors' report is approved has confirmed that:

- As far as that director is aware, there is no relevant audit information of which the company and the group's auditor is 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 auditor in connection with preparing its report and to establish that the company and the group's auditor is aware of that information.

Auditor

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 directors' report and strategic report was approved by the board of directors and signed on its behalf.

Chairman - Garreth Wood

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Date

07 MAY 2024

The Directors (who are also Trustees of Kids Operating Room for the purposes of charity law) are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company and charity law in Scotland require the Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including income and expenditure, of the charitable company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

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

Opinion

We have audited the financial statements of Kids Operating Room (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 December 2023 which comprises the consolidated statement of Financial Activities, the Charity statement of financial activities, the Consolidated Balance Sheet, the charity balance sheet, the Consolidated statement of cash flows and the related notes, 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 of the parent charitable company's affairs as at 31 December 2023 and of the Group's incoming resources and application of resources, including its income and expenditure 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, Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

Basis of 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 responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The Directors 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 report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements
- the Directors' report has been prepared in accordance with applicable legal requirements

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

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

- adequate and proper accounting records have not been kept, or returns for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Directors

As explained more fully in the Directors' responsibilities statement, the directors (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 directors 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 Directors are responsible for assessing the charity'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 Directors either intend to liquidate the charity or to cease operations or have no realistic alternative but to do so.

Auditor 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 report in accordance with the Act 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 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.

We obtained an understanding of the legal and regulatory frameworks within which the company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations, we design procedures in line with our responsibilities outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities including fraud, is detailed below.

We obtained an understanding of the legal and regulatory frameworks within which the charitable company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006, Charities and Trustee Investment (Scotland) Act 2005, together with the Charities SORP (FRS102) 2019. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company for fraud. The laws and regulations we considered in the context for the UK operations were Anti-fraud, bribery and corruption legislation, Taxation legislation, Health and safety legislation and Charity regulations.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities including fraud to be:

- Management override of controls to manipulate the charity's key performance indicators to meet targets.
- Timing and completeness of revenue recognition; and
- Compliance with relevant laws and regulations which directly impact the financial statements and those that the charity needs to comply with the purpose of trading.

Our audit procedures to respond to these risks included:

- Testing of journal entries and other adjustments for appropriateness
- Evaluating the business rationale of significant transactions outside the normal course of business
- Reviewing judgements made by management in their calculations of accounting estimates for potential management bias.
- Enquiries of management about litigation and claims and inspection of relevant correspondence
- Reviewing legal and professional fees to identify indications of actual or potential litigation, claims and any non-compliance with laws and regulations.
- Testing a sample of income transactions to source documentation.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission, or misrepresentation.

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 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 directors 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, its members, as a body, and its trustees, as a body for our audit work, for this report, or for the opinions we have formed.

Anderson Anderson and Brown Audit LLP

Graeme Penman (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: 8 May 2024

KIDS OPERATING ROOM
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (incorporating income and expenditure account)
FOR THE YEAR ENDED 31 DECEMBER 2023

INCOME AND ENDOWMENTS FROM:	Note	Unrestricted Funds £	Restricted Funds £	2023 £	2022 £
Donations and legacies	3	1,711,636	3,939,152	5,650,788	7,117,411
Investment Income		9,764	-	9,764	-
Other trading activities	4	144,436	-	144,436	-
TOTAL		1,865,836	3,939,152	5,804,988	7,117,411
EXPENDITURE ON:					
Raising funds	5	358,610	-	358,610	317,751
Charitable activities	6	2,196,815	5,233,678	7,430,493	3,915,985
TOTAL		2,555,425	5,233,678	7,789,103	4,233,736
NET MOVEMENT IN FUNDS	17	(689,589)	(1,294,526)	(1,984,115)	2,883,675
RECONCILIATION OF FUNDS					
Total funds brought forward		6,135,467	4,566,656	10,702,123	7,818,448
Total funds carried forward	17	5,445,878	3,272,130	8,718,008	10,702,123

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

The notes on pages 20 to 31 form part of these financial statements.

KIDS OPERATING ROOM
PARENT STATEMENT OF FINANCIAL ACTIVITIES (incorporating income and expenditure account)
FOR THE YEAR ENDED 31 DECEMBER 2023

INCOME AND ENDOWMENTS FROM:	Note	Unrestricted Funds £	Restricted Funds £	2023 £	2022 £
Donations and legacies	3	1,711,636	3,939,152	5,650,788	7,117,411
Investment income		9,765	-	9,765	-
Other trading activities	4	115,774	-	115,774	-
TOTAL		1,837,175	3,939,152	5,776,327	7,117,411
EXPENDITURE ON:					
Raising funds	5	358,610	-	358,610	317,751
Charitable activities	6	2,173,561	5,233,678	7,407,239	3,915,985
TOTAL		2,532,171	5,233,678	7,765,849	4,233,736
NET MOVEMENT IN FUNDS	17	(694,996)	(1,294,526)	(1,989,522)	2,883,675
RECONCILIATION OF FUNDS					
Total funds brought forward		6,135,467	4,566,656	10,702,123	7,818,448
Total funds carried forward	17	5,440,471	3,272,130	8,712,601	10,702,123

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

The notes on pages 20 to 31 form part of these financial statements.

KIDS OPERATING ROOM
COMPANY NUMBER: SC585374
CONSOLIDATED BALANCE SHEET – 31 DECEMBER 2023

	Note	2023 £	2022 £
FIXED ASSETS			
Tangible fixed assets	12	77,617	105,993
		77,617	105,993
CURRENT ASSETS			
Stock	13	4,913,344	4,201,105
Debtors	14	1,235,767	3,180,092
Cash at bank and in hand	18	2,882,127	3,487,769
		9,031,238	10,868,966
CREDITORS: *amounts falling due within one year*	15	(390,847)	(272,836)
NET CURRENT ASSETS		8,640,391	10,596,130
TOTAL ASSETS LESS CURRENT LIABILITIES		8,718,008	10,702,123
NET ASSETS		8,718,008	10,702,123
FUNDS			
Unrestricted funds	17	5,445,878	6,135,467
Restricted funds	17	3,272,130	4,566,656
		8,718,008	10,702,123

The notes on pages 20 to 31 form part of these financial statements.

Signed on behalf of the Board of Directors

Chairman - Garreth Wood

Date 07 MAY 2024

KIDS OPERATING ROOM
COMPANY NUMBER: SC585374
BALANCE SHEET - 31 DECEMBER 2023

	Note	2023 £	2022 £
FIXED ASSETS			
Tangible fixed assets	12	76,611	105,993
Investments	11	1	-
		76,612	105,993
CURRENT ASSETS			
Stock	13	4,913,344	4,201,105
Debtors	14	1,262,904	3,180,092
Cash at bank and in hand	18	2,831,173	3,487,769
		9,007,421	10,868,966
CREDITORS: *amounts falling due within one year*	15	(371,432)	(272,836)
NET CURRENT ASSETS		8,635,989	10,596,130
TOTAL ASSETS LESS CURRENT LIABILITIES		8,712,601	10,702,123
NET ASSETS		8,712,601	10,702,123
FUNDS			
Unrestricted funds	17	5,440,471	6,135,467
Restricted funds	17	3,272,130	4,566,656
		8,712,601	10,702,123

The notes on pages 20 to 31 form part of these financial statements.

Signed on behalf of the Board of Directors

Chairman - Garreth Wood

Date

07 MAY 2024

KIDS OPERATING ROOM
CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	2023 £	2022 £
Net cash flow from operating activities			
Net income for the year		(1,984,115)	2,883,676
Depreciation of tangible fixed assets	12	52,241	52,107
(Increase) in stock		(712,239)	(2,658,879)
Decrease/(Increase) in debtors		1,944,325	(2,484,274)
Increase/(Decrease) in creditors		118,011	(250,966)
Net cash used in operating activities		(581,777)	(2,458,336)
Cash flow from investing activities			
Purchase of fixed assets	12	(23,865)	(25,750)
Net cash used in investing activities		(23,865)	(25,750)
Decrease in cash and cash equivalents	18	(605,642)	(2,484,086)

The notes on pages 20 to 31 form part of these financial statements.

1 ACCOUNTING POLICIES

(a) Basis of accounts preparation

The financial statements are prepared under the historical cost convention, 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) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006. The company constitutes a public benefit entity as defined by FRS 102.

(b) Going concern

The directors have evaluated the charitable companies' ability to continue as a going concern after reviewing the projected income and expenditure for the next twelve months from the date of approval of these financial statements and have concluded that the company has sufficient resources to continue its operations in the foreseeable future.

The charity has an agreed strategy and business plan and continues to invest in fundraising resources to secure funding through donations, grants, and other sources.

There will be risks and challenges due to changes in the economic climate and inflationary pressures, which could affect our performance and projected cash flow. Therefore, management continually monitors its financial position and has stress tested the projected cash flow for adverse scenarios.

(c) Consolidation

These financial statements consolidate the accounts of Kids Operating Room Ltd and Global Hospital Limited.

(d) Income

i) Donations and legacies
Donations and legacies are included in the Statement of Financial Activities in the year in which the charity has entitlement to the funds and it is probable that the income will be received, and the amount can be measured reliably.

Grant funding included in this category provides funding to support activities and is recognised where there is entitlement, probability of receipt, and the amount can be measured with sufficient reliability.

ii) Donated facilities
Donated facilities are recognised when the charitable company has control over the item and the economic benefit can be measured reliably. On receipt the donated facilities are recognised on the basis of the value of the gift to the charitable company, which is the equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of use.

iii) Other Income includes income from investments and is included in the Statement of Financial Activities in the year in which it is receivable. Other Income includes income received by Global Hospital Limited and bank interest received.

(e) Expenditure

i) Liabilities are recognised when the group has an obligation to make a payment to a third party. Resources expended are included in the Statement of Financial Activities on an accrual's basis, inclusive of any irrecoverable VAT. Expenditure is directly attributed to the relevant category in the Statement of Financial Activities where practical.

ii) Grants to third parties predominantly related to medical training

Grants or instalments of grants offered in connection with projects with institutions are charged to the Statement of Financial Activities in the year when the offer is conveyed to the recipient except in those cases where the offer is conditional and the conditions are within the control of the charity, such grants being recognised as expenditure when payment is made.

Conditional grants where the conditions are out with the control of the charity are charged to the Statement of Financial Activities in full in the year in which the offer is conveyed.

Grants which have been conveyed in the year but not recognised as expenditure are disclosed as contingent liabilities in the financial statements.

iii) Direct costs relating to the core activities.
Direct costs are charged to the Statement of Financial Activities as expenses incurred.

ACCOUNTING POLICIES (continued)

iv) Support costs of the charity.
Support costs are charged to the Statement of Financial Activities as expenses incurred.

(f) Taxation

Kids Operating Room is considered to pass the tests set out in Schedule 6, Part 1 of the Finance Act 2010 and therefore 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 II, 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.

(g) Tangible fixed assets and depreciation

Fixed assets are capitalised at cost and written off over their expected useful lives as follows:

Plant and equipment- Straight line, 5-years for office furniture and 3-years for other fixed assets.

(h) Stock

Stock is stated at the lower of cost and net realisable value. Net realisable value represents the estimated amount which would currently be obtained from disposal of an asset after deducting estimated costs of disposal.

i) Foreign currencies

Assets, liabilities, revenues, and costs denominated in foreign currencies are recorded at the rates of exchange ruling at the dates of the transactions; monetary assets and liabilities at the balance sheet date are translated at the year-end rate of exchange. The resulting profits or losses are dealt with in the Statement of Financial Activities.

(j) Funds

Unrestricted funds include incoming resources receivable or generated for the objects of the charity/group without further specified purpose and are available as general funds. These funds can be used in accordance with the charitable objects at the discretion of the directors.

Restricted funds are to be used for specific purposes as laid down by the donor.

(k) Pensions

Eligible employees are members of defined contribution pension schemes. Pension costs charged to the Statement of Financial Activities represents the contributions payable by the company in the year.

(l) Financial instruments

The group only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable and loans to related and third parties.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

Financial assets and liabilities are offset, and the net amount reported in the statement of financial position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

(m) Debtors

Debtors are recognised and valued at the settlement amount after any applicable provisions. Prepayments are recognised at the amount prepaid.

(n) Cash at bank and in hand

Cash at bank and at hand includes cash and short term highly liquid investments.

ACCOUNTING POLICIES (continued)

(o) Liabilities and provisions

Liabilities are recognised when there is an obligation at the balance sheet date as a result of past events, it is probable a transfer of economic resource will be required in settlement and the amount can be reliably measured. Liabilities are recognised at the amount the group anticipates it will pay to settle the debt.

2 JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported during the year for income and expenditure. However, the nature of estimation means that actual outcomes could differ from those estimates. Estimates and judgements 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.

3 DONATIONS AND LEGACIES

	2023 (KidsOR) £	2023 (Group) £	2022 (KidsOR) £	2022 (Group) £
Donations - Restricted Funds				
Donated Facilities	100,000	100,000	100,000	100,000
Donations for Surgical Capacity Programmes	2,864,412	2,864,412	3,582,808	3,582,808
Other	974,740	974,740	1,081,823	1,081,823
	3,939,152	3,939,152	4,764,631	4,764,631
Donations - Unrestricted Funds				
Donations Equipment	1,475,888	1,475,888	2,298,665	2,298,665
Donations Others	235,748	235,748	54,115	54,115
	1,711,636	1,711,636	2,352,780	2,352,780
	5,650,788	5,650,788	7,117,411	7,117,411

The charitable company benefited from donated facilities from DC Thomson and The Speratus Group Ltd which were deemed to have a market value of £100k (2022 - £100k). Income and a corresponding cost (note 5) have been recognised in respect of these donations for the year ended 31 December 2023.

In addition to the above the charity benefited from certain administrative functions from The Wood Foundation which were provided without charge. The directors consider the value of these donations to be immaterial, therefore have not recognised this in the accounts.

The charity received £2,864k (2022- £3,583k) in donations from significant partners, trusts, and foundations for programmes to develop surgical capacity. These programmes are to support the development of operating rooms and training of surgeons across a range of Low- and Middle-Income Countries. Other restricted donations received during the year primarily funded individual operating room projects.

Donations of equipment to support healthcare in LMICs were received in 2023 to the value of £1,475k (2022- £2,299k) and other unrestricted donations included donations from fundraising events and individual donors.

4 OTHER TRADING INCOME

	2023 (KidsOR)	2023 (Group)	2022 (KidsOR)	2022 (Group)
	£	£	£	£
Income received from Recharges	115,774	-	-	-
Project Income		144,436	-	-
	115,774	144,436	-	-

5 EXPENDITURE ON RAISING FUNDS

	2023 (KidsOR) £	2023 (Group) £	2022 (KidsOR) £	2022 (Group) £
Fundraising Team	317,382	317,382	311,199	311,199
Fundraising Events	41,228	41,228	6,552	6,552
	358,610	358,610	317,751	317,751

In 2023, the total unrestricted expenditure within the group and the parent company was £358,610 (2022 £317,751) and in 2023 nil (2022 nil) was for restricted funds.

6 EXPENDITURE ON CHARITABLE ACTIVITIES

	2023 (KidsOR) £	2023 (Group) £	2022 (KidsOR) £	2022 (Group) £
Direct costs:				
Infrastructure Costs	5,396,224	5,396,224	2,427,757	2,427,757
Covid-19 PPE	48,961	48,961	255,171	255,171
Research & Advocacy Costs	395,797	395,797	290,366	290,366
Trainee & Scholarship Costs	553,432	553,432	368,209	368,209
	6,394,414	6,394,414	3,341,503	3,341,503
Support costs:				
Head Office Costs	410,942	410,942	561,872	561,872
Conferences & Seminars	155,773	155,773	127,802	127,802
Professional Fees & Other Costs	292,991	316,245	117,818	117,818
Exchange Loss/ (Gain)	153,119	153,119	(233,010)	(233,010)
	1,012,825	1,036,079	574,482	574,482
	7,407,239	7,430,493	3,915,985	3,915,985

In 2023, the total expenditure on unrestricted charitable activities within the group company was £2,196,815 (2022 £1,489,682) and in 2023 £5,233,678 (2022 £2,426,303) was for restricted funds.

In 2023, the total expenditure on unrestricted charitable activities within parent company was £2,173,561 (2022 £1,489,682) and in 2023 £5,233,678 (2022 £2,426,303) was for restricted funds.

	2023 (KidsOR) £	2023 (Group) £	2022 (KidsOR) £	2022 (Group) £
7 GOVERANCE COSTS				
Auditor and Accountancy Services	16,200	20,396	17,394	17,394
Legal	47,337	47,337	19,179	19,179
	63,537	67,733	36,573	36,573

	2023 (KidsOR) £	2023 (Group) £	2022 (KidsOR) £	2022 (Group) £
8 NET MOVEMENT IN TOTAL FUNDS FOR THE YEAR is stated after charging:				
Auditor Remuneration - Statutory Audit	16,200	20,396	16,200	16,200

	2023 (KidsOR) £	2023 (Group) £	2022 (KidsOR) £	2022 (Group) £
9 STAFF COSTS AND NUMBERS				
Wages & Salaries	1,596,614	1,596,614	1,059,973	1,059,973
Social Security	159,038	159,038	122,068	122,068
Pension Costs	117,014	117,014	62,837	62,837
	1,872,666	1,872,666	1,244,878	1,244,878

The average number of persons employed during the year was as follows:

	2023 (KidsOR) No.	2023 (Group) No.	2022 (KidsOR) No.	2022 (Group) No.
Senior Management	6	6	4	4
Management & Administration	27	27	21	21
	33	33	25	25

During the year 3 employees within the group received emoluments of over £60,000 (2022: 3). Pension contributions totalling £30,000 circa were paid into direct contribution pension schemes in respect of 3 of these individuals (2022: £30,000 circa, 3 individual). The Directors consider that it would be operationally sensitive to disclose any further remuneration information.

10 DIRECTORS' EMOLUMENTS AND EXPENSES

The Directors received no remuneration from the charity/group during the current period.

No Directors received or waived any expenses from the charity/group during the current period.

11 INVESTMENTS

	2023 (KidsOR) £	2023 (Group) £	2022 (KidsOR) £	2022 (Group) £
Investment in Global Hospital Limited	1	-	-	-

The investment is a shareholding of 100% ordinary shares in Global Hospital Limited with the registered office being 107 George Street, Edinburgh, EH2 3ES

12 TANGIBLE FIXED ASSETS

	Plant & equipment 2023 (KidsOR) £	Plant & equipment 2023 (Group) £	Plant & equipment 2022 (KidsOR) £	Plant & equipment 2022 (Group) £
COST				
At 1 January 2023	240,000	240,000	214,250	214,250
Additions	22,787	23,865	25,750	25,750
Disposals	(421)	(421)	-	-
At 31 December 2023	262,366	263,444	240,000	240,000
DEPRECIATION				
At 1 January 2023	134,007	134,007	81,900	81,900
Charge for the year	52,169	52,241	52,107	52,107
Depreciation on disposal	(421)	(421)	-	-
At 31 December 2023	185,755	185,827	134,007	134,007
NET BOOK VALUE				
At 31st December 2023	76,611	77,617	105,993	105,993
At 1st January 2023	105,993	105,993	132,350	132,350

13 STOCK

	2023 (KidsOR) £	2023 (Group) £	2022 (KidsOR) £	2022 (Group) £
Medical equipment	4,913,344	4,913,344	4,201,105	4,201,105

14 DEBTORS

	2023 (KidsOR) £	2023 (Group) £	2022 (KidsOR) £	2022 (Group) £
Other debtors	986,009	986,009	3,085,600	3,085,600
Prepayments and accrued income	181,290	181,290	94,492	94,492
Amounts due from group undertakings	27,137	-	-	-
VAT Recoverable	68,468	68,468	-	-
	1,262,904	1,235,767	3,180,092	3,180,092

15 CREDITORS: amounts falling due within one year

	2023 (KidsOR) £	2023 (Group) £	2022 (KidsOR) £	2022 (Group) £
Trade creditors	297,004	297,004	189,728	189,728
Social security and other taxes	31,095	31,095	49,790	49,790
Accruals and deferred income	43,333	62,748	33,318	33,318
	371,432	390,847	272,836	272,836

No amount in relation to pension contributions is accrued at the year-end (2022 - £NIL).

16 FINANCIAL INSTRUMENTS

Financial assets	2023 (KidsOR) £	2023 (Group) £	2022 (KidsOR) £	2022 (Group) £
Financial assets measured at fair value through profit or loss	2,831,173	2,882,127	3,487,769	3,487,769
Financial assets measured at amortised cost	986,009	986,009	3,085,600	3,085,600
	3,817,182	3,868,136	6,573,369	6,573,369
Financial liabilities				
Financial liabilities measured at amortised cost	340,337	359,752	223,046	223,046

Financial assets measured at fair value through profit or loss comprises cash at bank and in hand.
Financial assets measured at amortised cost comprises of other debtor balance as at the end of 2023.
Financial liabilities measured at amortised cost comprises of trade creditor balance at the end of 2023 and the accruals and deferred income balance as at the end of 2023.

17 PARENT MOVEMENT IN FUNDS

	Brought forward £	Income £	Expenditure £	2023 Carried forward £
General Fund - Unrestricted	6,135,467	1,837,175	(2,532,171)	5,440,471
Restricted Funds				
Donated Facilities	-	100,000	(100,000)	-
Donations for Surgical Capacity Programmes	3,660,584	2,864,412	(4,091,755)	2,433,241
Covid 19 PPE	48,962	-	(48,962)	-
Others	857,110	974,740	(992,961)	838,889
	4,566,656	3,939,152	(5,233,678)	3,272,130
Total Funds	10,702,123	5,776,327	(7,765,849)	8,712,601

Restricted funds include a fund for specific projects, office and warehouse facilities donated to the charitable company and the related deemed costs (Note 3).

Analysis of Parent net assets between funds

	Unrestricted Funds £	Restricted Funds £	2023 £
Tangible fixed assets	76,612	-	76,612
Current assets	5,735,291	3,272,130	9,007,421
Current liabilities	(371,432)	-	(371,432)
At 31 December 2023	5,440,471	3,272,130	8,712,601

PARENT MOVEMENT IN FUNDS (continued)

The comparative figures for 2022 were:

	Brought forward £	Income £	Expenditure £	2022 Carried forward £
General funds- unrestricted	5,590,119	2,352,780	(1,807,432)	6,135,467
Restricted funds				
Donated Facilities	-	100,000	(100,000)	-
Donations for Surgical Capacity Programmes	1,581,025	3,582,808	(1,503,249)	3,660,584
Covid 19 PPE	304,133	-	(255,171)	48,962
Others	343,171	1,081,823	(567,884)	857,110
	2,228,329	4,764,631	(2,426,304)	4,566,656
Total funds	7,818,448	7,117,411	(4,233,736)	10,702,123

Restricted funds include a fund for specific projects, office and warehouse facilities donated to the charitable company and the related deemed costs (Note 3).

Analysis of parent net assets between funds

	Unrestricted Funds £	Restricted Funds £	2022 £
Tangible fixed assets	105,993	-	105,993
Current assets	6,302,310	4,566,656	10,868,966
Current liabilities	(272,836)	-	(272,836)
At 31 December 2023	6,135,467	4,566,656	10,702,123

GROUP MOVEMENT IN FUNDS

	Brought forward	Income	Expenditure	2023 Carried forward
	£	£	£	£
General Fund - Unrestricted	6,135,467	1,865,836	(2,555,425)	5,445,878
Restricted Funds				
Donated Facilities	-	100,000	(100,000)	-
Donations for Surgical Capacity Programmes	3,660,584	2,864,412	(4,091,755)	2,433,241
Covid 19 PPE	48,962	-	(48,962)	-
Others	857,110	974,740	(992,961)	838,889
	4,566,656	3,939,152	(5,233,678)	3,272,130
Total Funds	10,702,123	5,804,988	(7,789,103)	8,718,008

Restricted funds include a fund for specific projects, office and warehouse facilities donated to the charitable company and the related deemed costs (Note 3).

Analysis of Group net assets between funds

	Unrestricted Funds	Restricted Funds	2023
	£	£	£
Tangible fixed assets	77,617	-	77,617
Current assets	5,759,108	3,272,130	9,031,238
Current liabilities	(390,847)	-	(390,847)
At 31 December 2023	5,445,878	3,272,130	8,718,008

GROUP MOVMENT IN FUNDS (continued)

The comparative figures for 2022 were:

	Brought forward £	Income £	Expenditure £	2022 Carried forward £
General funds- unrestricted	5,590,119	2,352,780	(1,807,432)	6,135,467
Restricted funds				
Donated Facilities	-	100,000	(100,000)	-
Donations for Surgical Capacity Programmes	1,581,025	3,582,808	(1,503,249)	3,660,584
Covid 19 PPE	304,133	-	(255,171)	48,962
Others	343,171	1,081,823	(567,884)	857,110
	2,228,329	4,764,631	(2,426,304)	4,566,656
Total funds	7,818,448	7,117,411	(4,233,736)	10,702,123

Restricted funds include a fund for specific projects, office and warehouse facilities donated to the group and the related deemed costs (Note 3).

Analysis of group net assets between funds

	Unrestricted Funds £	Restricted Funds £	2022 £
Tangible fixed assets	105,993	-	105,993
Current assets	6,302,310	4,566,656	10,868,966
Current liabilities	(272,836)	-	(272,836)
At 31 December 2023	6,135,467	4,566,656	10,702,123

18 ANALYSIS OF PARENT CHANGES IN CASH IN YEAR

	2023 £	2022 £
Cash at bank and in hand at 1 January 2023	3,487,769	5,971,855
Decrease in cash and cash equivalents	(656,596)	(2,484,086)
At 31 December 2023	2,831,173	3,487,769

ANALYSIS OF GROUP CHANGES IN CASH IN YEAR

	2023	2022
	£	£
Cash at bank and in hand at 1 January 2023	3,487,769	5,971,855
Decrease in cash and cash equivalents	(605,642)	(2,484,086)
At 31 December 2023	2,882,127	3,487,769

19 RELATED PARTY TRANSACTIONS

Control

Throughout the year the company was controlled by the Board of Directors.

Transactions

During the year, the charitable company benefited from donated office facilities valued at £10,000 (2022 - £10,000) and paid £86,676 (2022 - £86,974) in respect of these office facilities to The Speratus Group Ltd, a company of which Garreth Wood and Graham Good are Directors.

During the year, Kids Operating Room paid sums to The Wood Foundation Africa a charity of which Graham Good was a Director and Trustee and Garreth Wood became a Director and Trustee in the early part of 2024, as reimbursement of rents and staff salaries. Amounts paid in 2023 totalled £342,207 (2022 - £245,520) of which £88,675.97 was outstanding at 31 December 2023 (2022 - £54,930).

The charitable company was awarded £nil in 2023 (2022 - £147,500) from The Wood Foundation, a charity of which Graham Good was a Director and Trustee and Garreth Wood became a Trustee and Director in the early part of 2024.

During the year, the charity reimbursed £24,322 (2022 - £14,960) to J W Holdings Ltd, a company of which Graham Good is a Director. These payments were for the KidsOR staff's private medical and death-in-service policies.

The company has taken advantage of the exemption given by Section 1AC.35 of Financial Reporting Standard 102 which allows exemption from disclosure of related party transactions with other wholly owned group entities.

20 OPERATING LEASE COMMITMENT

At 31 December 2023 the parent company had future minimum lease payments under non-cancellable operating leases of £86,676 (2022 - £87,918).