



WESSEX CHILDREN'S HOSPICE TRUST

(A company limited by guarantee)

Trustees' Report and Financial Statements For the year ended 31 March 2022

Registered Number: 02601495 (England and Wales)
Charity Number: 1002832



Contents

Contents

1	Reference & Administrative details of the Charity, its Trustees and Advisors
2	Chairman's Statement
4	Trustees' Report
19	Independent Auditor's Report to the Members of Wessex Children's Hospice Trust
23	Consolidated Statement of Financial Activities
24	Consolidated Balance Sheet
25	Company Balance Sheet
26	Consolidated Statement of Cash Flows
27	Notes to the Financial Statements





Reference & Administrative details of the Charity, its Trustees and Advisors

Company Number	02601495 (England and Wales)	
Charity number	1002832	
Registered office	Naomi House, Stockbridge Road, Sutton Scotney, Winchester, SO21 3JE	
Trustees	Trustees, who are also directors under company law, who served during the year and up to the date of this report were as follows:	
	Mrs Faith Ramsay	Chair
	Mr Julian Cracknell	Vice Chair (appointed 8 July 2021)
	Mr Steve Radjen	
	Dr Michael Miller	
	Mr Julian Walker	
	Mrs Sam Nicolson	Treasurer
	Mr Shaun Southern	
	Mr Robin Hassan	
	Mr Rob Simpson	
	Mrs Nicola Redfern	
	Ms Helen Burrows	
	Ms Lucinda Smith	
	Ms Julie Dawes	
	Ms Jane Ferguson	
	Mr Andrew Meehan	(appointed 28 June 2022)
Key Management Personnel	Mr Mark Smith	Chief Executive Officer
	Mrs Lesley Brook	Director of Care/Deputy CEO
	Mrs Katie Lumsden	Director of Finance
	Ms June Morton	Director of Human Resources
	Mr Paul Morgan	Director of Fundraising & Communications
Bankers	Royal Bank of Scotland Plc Drummond House, 1 Redheughs Avenue, Edinburgh EH12 9JN	Barclay's Bank Plc PO Box 612, Ocean Way, SO14 2ZP
Solicitors	Blake Morgan New Kings Court, Tollgate Chandlers Ford SO23 9DA	Gardner Leader White Hart House 24 Market Place, Newbury RG14 5BA
Independent Auditor	Crowe U.K. LLP Aquis House 49-51 Blagrove Street Reading Berkshire RG1 1PL	



Chairman's Statement

Message from the Chair

I am pleased to present the Annual Report and Accounts for the Wessex Children's Hospice Trust known as Naomi House and Jacksplace, hospices for children and young adults who live with life-limiting and life-threatening conditions and their families.

Through the committed support of our individual donors, corporate supporters, retail customers, trusts and foundations and wonderful volunteers, we have been able to continue to provide services to children, young adults and their families in the hospices, at home and through numerous virtual activities whilst the long-term effects of the COVID-19 pandemic remain. Whilst much of society has opened up as COVID restrictions are relaxed, the clinical world has remained cautious, particularly in support of the life limited and life threatened children we serve.

The last year has seen us rebuilding our services in the hospices while continuing to reach and support families through online and virtual services. Although the major difficulties presented by COVID are now easing, the continuing challenge of skilled staff shortages, particularly registered nurses recognised as a national problem for both the public and charitable sectors, remains. The volume of services we deliver has not yet returned to pre-pandemic levels although demand for our services is now increasing again following several years of isolation and lockdown for families. We are providing services in both Naomi House and Jacksplace alternately to ensure that all the communities we support have availability and our aim is to open all services again concurrently in the coming months.

As the pandemic progressed over the last year, we have continued to be ready to support our NHS colleagues as the need arises. We have helped children, young adults and their families avoid hospital admissions by enabling them to receive care here at the hospices, through symptom management, step down care and emergency respite stays alongside our planned respite service. A new initiative was set up during the year, a dedicated Duchenne Muscular Dystrophy Clinic, creating a one stop multi-specialty/multi-disciplinary clinic working across the boundaries of the NHS and non-statutory services, improving quality of life, making efficient use of time and resources whilst freeing up space within the NHS.

Our Retail colleagues have worked hard throughout the year with nearly a full year's trading activity in our shops, which saw a constant flow of customers and donors keen to support the charity return, helping our retail network produce an excellent recovery from the closures of the previous year. Our Fundraisers also had a good year with people returning to fundraising activities along with continued support from Community, Trusts and Corporate supporters. Event income increased from the previous year although has still not returned to pre pandemic levels but is showing promise for the year ahead. Legacy income has performed above expectation, and we have now received the last of the NHSE COVID grants. Overall, we have made a surplus this year, through a combination of reduced expenditure and strong income generation activities putting us in a good position for the forthcoming year.

We look forward to the year ahead and in particular, to welcoming our first International Nurse colleagues who will be joining us in the coming months. As the challenge of nurse recruitment in the UK continues, we have worked with Hampshire Hospitals Foundation Trust to learn from their experience to enable us to recruit nurses internationally. We were also pleased to secure the opportunity to purchase at auction, a block of 4 flats in the village of Sutton Scotney to provide accommodation for our international nurse colleagues as they arrive. The combination of access to international nurse recruitment and the availability of local accommodation will significantly help us to address the challenges of nurse vacancies so that we can grow the volume of services we provide in the future.



Our progress to work collaboratively with neighbouring hospices, the local NHS and statutory bodies continues with the introduction of the Health & Care Bill 2021 receiving Royal Assent in April 2022, meaning the proposed changes to the healthcare and authority structures and ways of working are taking shape. The Bill also means the provision of palliative care becomes a statutory responsibility and so we look forward to working with all our colleagues to improve the availability, access and quality of services provided to children, young adults and their families in the region, along with the funding to support it. To this strategic aim, we continue to be an active member of the Hampshire and Isle of Wight Hospice Collaborative, the developing Wessex Managed Clinical Network and have formal agreements in place with Chestnut Tree House in Sussex and Julia's House in Dorset to provide access to our specialist paediatric palliative care consultants.

The year has been another challenging one although with the pandemic easing, we have been able to provide more services to the children, young adults and families who need us and we continue to rebuild and grow our services to pre-pandemic levels. Everyone at Naomi House & Jacksplace remains dedicated to that aim and we have made significant progress this year towards our strategic aims of making a difference to families every day, affording our ambitions and being at the forefront of a changing healthcare landscape. I would like to thank all our staff and volunteers for their hard work and dedication to making Naomi House & Jacksplace the wonderful place it is.

It is only with the continued support of individuals, groups, trusts and companies in the community with the majority of our income coming from voluntary sources, legacies and through our shops and lottery programme that we are able to deliver the services we do. Therefore, I would like to thank everyone who continues to support us, we couldn't do what we do without your generous donations and support.

Faith Ramsay
Chair of the Board of Trustees



Trustees' Report

The Trustees are pleased to present their annual report and accounts of the Charity and its subsidiary for the year ending 31 March 2022.

The accounts have been prepared in accordance with:

- the Charities Act 2011
- the Companies Act 2006
- the Memorandum and Articles of Association (incorporated on 15 April 1991, last amended 1 October 2013)
- the 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 (FRS102)

Vision and Mission

OUR VISION

Is that every child, young adult, and their families receive the care services they need, when and where they need them, and for as long as needed.

OUR MISSION (The Charity's Objectives)

Is to provide high quality care services to children, young adults and their families and through innovation, partnership working, good governance and leadership, to ensure their sustainability for the future.

Underpinning our vision and our mission, are our core values:

- People focus
- Openness
- Pride
- Ambition
- Resourcefulness

We place great reliance on committed staff and volunteers, whether they are caring for children, raising money or providing the essential administration. Living our values will continue to be a strong theme as we ensure that everybody, paid or otherwise, is valued and respected for their contribution to our work.

Governance and Public Benefit

The Trustees hold legal responsibility for setting the strategy of the charity and for ensuring the group complies with the Companies Act, Charities Act and Statement of Recommended Practice. The Trustees delegate the day to day operational management of the charity to the Chief Executive and the Senior Management Team to facilitate the effective delivery of the charity's aims and objectives and to ensure compliance with all regulatory requirements.

The Trustees have many responsibilities that can be summarised as two overriding objectives:

- The first is to ensure that the Trust is run well in safeguarding and supporting children, young adults and families and by using donations wisely.



- The second is to ensure the long-term sustainability of the Trust in an increasingly demanding environment of financial uncertainty, compliance and regulation further compounded by the effects of the global pandemic

As a Board we are confident that, whilst uncertainty remains around income and the continuance of the effects of COVID-19, the war in Ukraine and the cost of living crisis, the immediate and foreseeable future of the organisation is secure.

The aim of Naomi House & Jacksplace, is to provide end of life care, symptom management, step down, emergency and planned respite care to children, young adults and their families who live with a life-limiting or life-threatening condition. We operate across the south-central region providing services to families in Hampshire, the Isle of Wight, Berkshire, Dorset, Wiltshire, West Sussex and West Surrey. Our beneficiary's ages range from 0 years to young adults up to 35 years and their families. It is entirely consistent with the charity's objective as set out in its governing document, and statement of purpose. Services are delivered free of charge to beneficiaries or are provided under funded arrangements with Statutory bodies.

The Trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning its future activities. In particular, the Trustees consider how planned activities will contribute to the aims and objectives that have been set. The core policy of the Trustees is to put families at the centre of our work and to support parents, carers, siblings and other family members, as well as the life-limited children, and young adults.

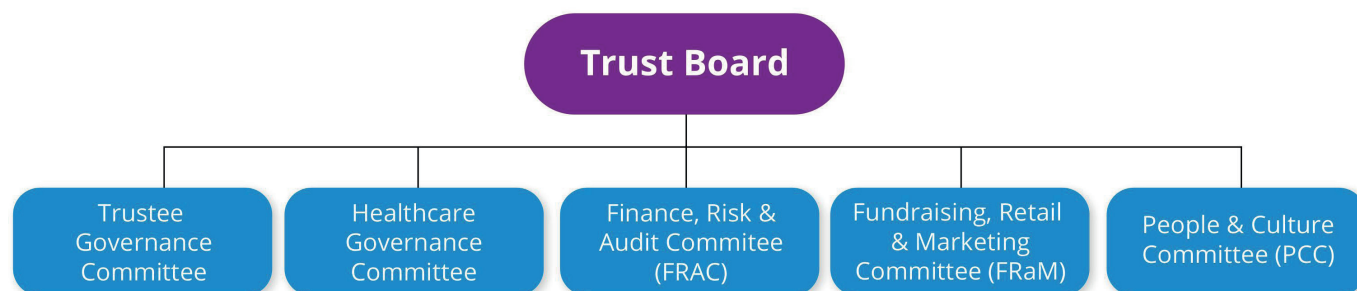
Structure and Management

The organisation is a charitable company limited by guarantee, incorporated on 15 April 1991.

The company was established under a Memorandum of Association, which established the objects and powers of the charitable company and is governed under its Articles of Association.

The Trust is run by a Board of Trustees, which sets and monitors strategy and policies. The Board delegates authority to deliver the strategy to the Chief Executive and staff. The Board meets quarterly to receive reports of all the principal activities of the Trust. Two special meetings are arranged each year for Trustees to discuss and review the strategy.

Trustees have established standing committees, each with its own terms of reference, as follows:





Trustees' Report Cont.

Trustees are elected in accordance with the memorandum and articles of association by the Trustee Members of the Trust. There are currently 14 Trustee Members who hold voting rights and 24 Advisory Members, all of whom have liability limited to £10.

In line with best practice and the Charity Governance Code, the Board continuously seeks to enhance the diversity of its skill set. Trustees are recruited following open advertisement, are subject to a rigorous interview, probationary period, and induction to support them in becoming effective members of the Board, working in the best interests of the charity. This includes formal Trustee Training with our professional legal advisors and through online training courses. We are currently seeking a new Chair to succeed our current Chair, Faith Ramsay, who at the request of the Board to provide consistency following the COVID pandemic, has extended her tenure to a fourth term until a new Chair is recruited.

The People and Culture Committee set the remuneration for the Trust, including key personnel, benchmarking against the NHS, similar organisations within the local area and performing salary research.

In February, the Board and Senior Management Team undertook a Governance Review using the Digi-Board online review tool which is based upon the Charity Governance Code with the additional areas of Board Behaviours and Culture, Safeguarding, Governance of Committees, Income Generation and Use of Digital covered, which then provides an Overall Governance Rating. The Digi-Board Overall Governance Rating scored "Very Well" or "Quite Well" in 15/16 principles and highlighted that we are "OK but could do better" in the principle of Equality, Diversity & Inclusion. Trustees have already commenced work to address the areas for improvement highlighted through the Digi-Board report and will continue to progress this work. The Trustees were reassured by the Digi-Board report of the high standard of governance delivered in the charity, with particularly high scores in the areas of Safeguarding, Risk & Control and Income Generation. Our Governance review also scored well when benchmarking against other hospices and charities who have undertaken the process.

Strategic Report

The financial year 2021-22 saw the Trust's activities recovering from the effects of the Coronavirus pandemic and was the second year of our 2020-25 Strategy.

Our key strategic aims;

Continue to Make a Difference to Families Everyday

By meeting their needs, delivering high quality specialist care services and to be there when needed.

Afford our Ambitions

Increase our statutory, voluntary and earned income whilst managing costs to develop services in a sustainable way

Be at the Forefront of a Changing Healthcare Landscape

Maximise the opportunities presented by the NHS Long Term Plan and new NHSE CYP (Children and Young People) Service Specification to work more collaboratively together with other providers and statutory bodies, to improve services for children, young adults and their families



Our achievements and progress against our key objectives.

Continue to make a difference to families everyday

- 533 children, young adults and their families supported.
- The equivalent of 1,692 bed nights provided through overnight and day services.
- 27 families receiving End of Life, Symptom Management or Step-Down Care.
- 173 children, young people and their families receiving respite or emergency respite care.
- New initiative for in-house Neuromuscular clinics.

Afford our ambitions

- Income of £8 million generated.
- Expenditure of £7.2 million producing an operational surplus of £783k
- Delivering a safe environment within budget.
- Investment of £900k for Nurse Accommodation, to assist with staff recruitment and retention.

Be at the forefront of a changing healthcare landscape

- Active member of the Hampshire & Isle of Wight (HIOW) Hospice Collaborative of 5 hospices holding a place on the HIOW Palliative & End of Life Care Board.
- Member of the Wessex CYP Managed Clinic Network Steering Group.
- Naomi House & Jacksplace now provide access to Specialist Paediatric Palliative Care Consultant advice through formal Memorandum of Understanding agreements with Chestnut Tree House in Sussex and Julia's House in Dorset.

The trustees believe we are well positioned for the future. Through continued community support through the pandemic and with our strong financial performance, we've been able to make some important investments for the future and plan to continue to do so. The purchase of staff accommodation to assist with nurse recruitment and retention, along with a planned capital programme of nearly £1m in 22/23 helping us to achieve our charitable objectives going forward. The trustees plan to increase staff numbers with the aim of increasing services will add considerably to underlying costs and so current reserves will be put to good use in the forthcoming years.

Risk Management - Principal risks and uncertainties

A risk register is at the centre of the Trust's risk management process. It is regularly reviewed by the senior management team and scrutinised by committees for onward presentation and approval by the board. Risk management is inherent in all the charity's activities and key risks broadly cover patient care, data protection, finance, fundraising, governance and compliance, health and safety and information technology including cyberattack.

The risk assessment process identified the following major risks:

- Failure to safeguard children and vulnerable adults adequately – this is mitigated through regular safeguarding training for both staff and volunteers and DBS checks.
- The challenge of recruiting skilled staff, particularly Nurses, affecting our ability to deliver and develop services – this is being managed through looking at new opportunities to hire and train nursing staff, for example through the apprenticeship scheme, international recruitment, and the establishment of shared service level agreements with NHS hospitals.
- Significant changes at short notice to funding arrangements and income generation activities – this is mitigated through holding a strong financial reserves position.

The Trustees have put in place mitigating measures to manage these risks and monitor the likelihood of these risk events occurring. It is felt that the financial and reputational impact on the Trust, has been controlled and minimised.



Trustees' Report Cont.

Regular review and updates are managed through the charity's Risk Register and through review by internal governance committees. This is further being strengthened by the introduction of Vantage, a charity wide data system allowing risks and incidents to be recorded and managed in one place, providing an organisational view of risks and controls.

Clinical governance is overseen by the Clinical Committee monthly and Healthcare Governance Committee quarterly. The Fundraising, Retail & Marketing Committee monitors the income streams of the Trust. The Finance, Risk & Audit Committee advises the Board on all finance and risk matters, and makes appropriate recommendations, when required. This includes reviewing the annual accounts and budgets, as well as appraising investment performance. The Governance Committee provides assurance to the Board of Trustees in discharging its responsibility for scrutiny, compliance and probity. The Trust also has an external consultant, on health and safety, which the Trustees receive regular reports from the People & Culture Committee which oversees health, safety and mandatory training.

Care Services

As in 2020/2021 COVID restrictions in healthcare continued throughout 2021 and into 2022. This was due both to adverse staffing through the need to isolate as household contacts and/or contracting COVID and the need to adhere to social distancing guidelines. As restrictions for the public eased many of the families using our services remained very cautious and preferred to receive ongoing play and activity support at home rather than stay in the hospices, 66 community visits were provided as a result.

Online day services also continued on a weekly basis and then from August 2021 in house, Days @ Jack's sessions re-started on a Tuesday and a Thursday, alongside the online sessions via Zoom. The play and activities team continued to develop the virtual peer support group once a month to help support young adults at Jacksplace isolated due to COVID. Working closely with the Family Support Team (FST) helped provide online sibling and Duchenne Muscular Dystrophy (DMD) boys' group sessions throughout the year in the school holidays.

During the year the need for a day service at Naomi House was identified and the first session was held in April 2022. This Day Service provides a great opportunity for children at Naomi House to engage and have fun with a wide range of different activities, as well as familiarising themselves with our environment, either for the first time or once again, whilst socialising and playing with fellow peers in accessible, safe and fun surroundings.

Re-opening of the pool for hydrotherapy proved very popular and working as a team, the care staff, play staff and physios made sure the child or young adult had a relaxing and therapeutic swim in our pool.

As the year progressed, we welcomed families once again to stay in the hospices whilst maintaining social distancing. We were able to bring festive cheer to the hospices over the Christmas period by decorating Naomi House and Jacksplace. We enjoyed visits from Santa twice a week including a visit from him in a helicopter, as well as giving every child and young adult a present throughout December. It was very special to hold our twice weekly Christmas parties and winter trails enabling the hospices to celebrate once again. We were able to host a socially distanced Christmas in Naomi House for three families and returned to our customary New Year party in Jacksplace for four young people.

The FST continued to adapt their way of working to enable engagement and support continued for children, young people and their families, using whichever method worked at the time including face to face, zoom and phone support.



The team have continued to focus on developing a holistic approach to the support offered to families which includes practical aspects such as funeral planning and memory making, emotional and therapeutic support through individual and group counselling and face to face play activities for siblings and children using our services. A chaplaincy service for those families requiring out of hours and end of life support has expanded to include representatives from a diverse range of faiths to better represent the population we serve.

The larger events such as Remembering Days were provided for bereaved families this year by changing the format to offering several smaller ceremonies whilst restrictions were gradually easing. Remembering Day at Christmas was offered from St Cross Church in Winchester during December and was very well attended.

Looking to the future the team is planning to expand the therapy support offered through bank counsellors who can offer more evening support to meet the needs of those working during the day.

Whilst most services can now be offered face to face some of the family support services have by request remained virtual. The ability to offer either provides a flexibility we didn't utilise pre COVID and helps us think differently. The neuromuscular clinics introduced during COVID, bringing clinicians together in one place rather than the young adult having to attend multiple clinic appointments has been very successful and has been scheduled throughout 2022/2023.

Admissions for symptom control have increased throughout 2021/2022 preventing the need to go into hospital which many families are keen to avoid in the current climate, for the same reason we saw an increase in children and young people coming to the hospice for step down care after a stay in hospital.

End of life care has always been a priority and during 2021/2022 the hospices supported 11 children and young people at end of life.

Following the pandemic, the practice education (PE) team started to welcome student nurses back in May 2021. Since then, we have supported eight students through their placements, the students come from Surrey, Southampton and Winchester universities. The students we support are predominantly studying paediatric nursing although some may be linking this with another nursing discipline. In order to increase the options for teaching, we have introduced short pop-up sessions involving a variety of the multidisciplinary team to share knowledge and skills with the care team. These sessions have been well received by the team and due to the small numbers in each group, have ensured that staff can receive teaching that is more individualised.

The care team are always happy to welcome students onto placement and support them during their time with us. Supporting a student allows the staff to share their extensive knowledge and skills whilst acknowledging staff can also learn from students.

This year we have developed a team, consisting of nurses, carers, play and physio, who can deliver training around the use of the hydrotherapy pool and evacuation techniques.

As well as supporting the clinical team in house the PE team promote and develop best practice by collaborating with other children's hospices, presenting at conference and forums and forging links with NHS education and development teams. PE team members are on the Steering group for the National Practice Education Forum for Children's Hospices run by Together for Short Lives and also Chair the National Long Term Ventilation Forum. These are opportunities to share expertise and develop common standards of practice in Children's Palliative care. Initially set up for Children's hospices, these Forums are now attracting attendees from the wider field of paediatric and young adult palliative care.



Trustees' Report Cont.

Conferences are an ideal opportunity to network and share development initiatives, clinical practice, innovation and research. As a hospice we have presented at the RCN Education Conference, the International Nurses Conference and submitted abstracts to the Together for Short Lives Conference and the European Academy of Paediatric Societies. We have also been invited to present at the NHS Practice Education Network.

As a result of COVID and staffing constraints only one hospice at a time has been operational, nurse recruitment has long been a problem for any healthcare setting and remains a challenge for Naomi House and Jackspace. The need to think differently and with support from our local NHS Trust we have embarked upon international nurse recruitment and have welcomed three nurses with another three planned. The PE team will support these nurses to complete the pathway to UK registration with the Nursing and Midwifery Council (NMC). They are also developing an in-house preceptorship programme to provide post registration professional development. Once registered with the UK NMC these nurses will help the Trust to have both hospices operational at the same time, increasing capacity and allowing a greater volume of services to be delivered.



Our Impact

Children's hospices are not just about end of life, it's so much more

Thank you, Naomi House, and Jacksplace and everyone who supports and fundraises, for giving this little boy a very special Christmas holiday with his baby brother. We have so many treasured memories in his last few weeks, and we still receive support, all thanks to you.

Jacksplace is our lifeline, I drop Bonnie off knowing that all her care, social and support needs will be met in a fun, safe and loving environment, this enables me to totally relax. Goodness, it's really hard to convey what Naomi House & Jacksplace have done for us, and mean to us, over the many years that Bonnie has been visiting them

- Bonnie's mum

The medical skill, the knowledge and experience are wonderful. But the human care is far, far beyond that. They put themselves out, everyone at Naomi House, to give us the best three days we could have possibly hoped for.

Naomi House provides superb care, giving Oliver VIP treatment doing things he loves. This gives me comfort, reassurance and the freedom to do other things we can't usually do. We all love Naomi House.

I don't know how we would have gotten through this without this amazing charity that has helped our family tremendously at the worst point in our lives thank you so much ♥ xxx

I love the independence I have at Jacksplace; taking a bit of responsibility and making more decisions for myself. I enjoy the social side of things too and being able to catch up with friends



Trustees' Report Cont.

Fundraising Review

After a turbulent 18 months dominated by COVID restrictions, there was a very real sense that 2021/22 would reflect the roadmap out of Lockdown. The vaccination roll-out was going well and there were high hopes that the reduction in COVID restrictions would begin to see a return to the kinds of options and choices that we collectively enjoyed pre-COVID. Although restrictions on movement were being gradually lifted, the fundraising management team felt it prudent to take a cautious approach when setting out our plans for the year. Foremost in our thinking was trying to anticipate how the ongoing changes in fundraising behaviour and interests would develop in the year ahead. As a team, we were keen to explore what opportunities could be created. Equally, our Retail team were excited to get our shops open and trading again after the many and varied interruptions that had dominated the past year or so.

Supported by an excellent management team and a small but dedicated group in our central warehouse, the consistent success of our Retail team is one of the absolute highlights of the year. After the challenges of furlough, and having had to shut two shops permanently, the reduced team have demonstrated their creative flare and adaptability, welcoming back customers and volunteers, offering safe environments so that we could maximise the value of the donations we received throughout the previous period. Consequently, our shops continued to be bright and vibrant marketplaces in towns across the region, always striving to offer a warm welcome and share our focus as a charity supporting young people with the most challenging medical conditions. As a result our Retail performance over the last year was 10% over budget and returning to pre pandemic levels.

There was still an appetite for fundraising. However, we were aware that changes in working practices and some of the COVID specific funding opportunities might not be as they had been during the previous 12 months. In looking forward, we needed to ensure that our workspaces and working practices supported how people wanted to work and how our supporters want to engage with the charity. After extended periods of working from home, many were excited about seeing colleagues again but also nervous about being in shared spaces with other people. As our team developed new rotas so that colleagues could return to the office, we mirrored discussions and changes that were taking place across the community. Ultimately, our aim remained the development of safe, engaging, and successful fundraising campaigns.

During the year, we saw various changes and developments in the Marketing Team. A new Head of Marketing brought new energy and insights to help with both fundraising and the wider organisation. We were determined to keep the focus of the team on the creation and support of effective campaigns and initiatives. We opted to proceed with our flagship fundraising event – Clarendon Way Walk once again in the autumn and hold other established events such as the Santa Fun Run's in new locations to expand their reach across the region. It was good to see that Events income increased by over 70% despite the obvious challenges and changes that came along within the period.

A major source of income for the charity relates to generous individual gifts left in the form of legacies. Despite its very unpredictable nature it plays a vital part in funding our services. Legacy receipts were much higher than anticipated during the year at £1,804,171 (2020/21; £1,058,557), accounting for nearly 23% of total income.

Another highlight for the team was the support received from the many corporate donors across the region. A further 10% increase on like for like income is a positive indication of the way in which supporters in businesses kept the charity in their thinking developing their fundraising efforts to support us despite the changes in working practices and team needs.



Giving habits changed during the year with notable changes in personal gifts and fundraised activity. Other income streams such as Trusts and Major Donor gifts remained a consistent part of the income matrix.

We continued to incorporate Direct Mail activities into the annual mix of supporter communication activities and evolve our techniques and partners to maximise the value of our campaigns, aiming to attract new supporters whilst expanding our core income base for fundraising.

Fundraising Statement

The Director of Fundraising and Communications oversees the Fundraising and Retail function. The charity employs a team of Fundraisers based at the Hospices in Sutton Scotney. The team are line managed by function and oversee all aspects of income generation for the charity. The Retail operation, 21 retail shops and a warehouse, is managed by the Head of Retail with a mix of paid staff and volunteers.

Fundraising income for the charity includes voluntary giving, Retail and an established Lottery operation which is supported by our External Lottery Manager – Starvale Management and Technologies Ltd. The team are seeking to establish new canvassing partners to help with the solicitation of new players, for future sustainable income. The solicitation process is carried out in line with the guidance from the Chartered Institute of Fundraising.

Naomi House & Jacksplace is registered with the Fundraising Regulator and are committed to the principles and aims of that body and sector best practice.

Fundraisers receive regular training and updates to the development of new regulatory changes through a combination of regular team training sessions, 1:1's and induction training. The Director of Fundraising continues to act as Chair of the regional association of the Chartered Institute of Fundraising and regularly offers the team opportunities to join or take part in free or low-cost training and peer to peer networking sessions. All new fundraisers are encouraged to take the Chartered Institute of Fundraising's Fundraising Foundation Course.

The Fundraising Management team continually monitor guidance and regulations from the Charity Commission, the Fundraising Regulator and the Gambling Commission. Specifically, we review information relating to GDPR, data protection and the Gambling activities.

In the past year we have not received any suppression requests from the Regulator. All complaints that we receive in relation to income generation activities are reviewed by the Board Sub-Committee responsible for Fundraising Retail and Marketing on a quarterly basis. A total of 33 complaints were received, which is more than received in the previous year but potentially a reflection of attitude, ease of reporting and better record keeping. All the complaints received were investigated and resolved.

As we have a Lottery, we are alert to the needs of vulnerable people and use the framework from the Gambling Commission and the Code of Fundraising Practice to guide our approach to dealing with any such individual or group.

In the retail operation each shop has a manager and assistant who undertake regular training in these areas supported by Relief Managers our volunteer coordinator and the HR partner. Our shops display contact information for colleagues and volunteers to report concerns.



Trustees' Report Cont.

We provide Third party fundraisers with a fundraising agreement. This sets out expectations regarding health and safety arrangements together with information for insurance, cash handling etc. We acknowledge donations electronically or by post and provide receipts on controlled stationery for staff involved in cash collections.

Human Resources Review

The world of work has been creeping back to a degree of normality during the last year. In April 21 lockdown started to ease with the opening up of Retail and we enjoyed instant success with our sales performance across our network of shops. As hospitality began to re-open, we were also able to increase our in-house services and more of our staff started to return to work on their normal hours.

Our final furlough claim in September 2021 was for only four people. Recruitment has also started to increase, especially within retail where there is traditionally a higher turnover of staff. Headcount has remained at a similar rate to the previous year with 152 (159:2021) employed staff at the end of March which represents 139.54 full-time equivalent roles.

With most of our people back at work, we conducted a Trust wide staff survey in the summer of 2021. We had a 74% response rate, comparable to previous surveys with a high degree of overall satisfaction. Key themes have emerged from the results including welfare support, communication and looking ahead.

One major change in the last year has been a move to "hybrid" working and now almost all our office-based staff are working two or three days a week from home. This is reported as a significant aid to work-life balance and everyone, including non-office-based colleagues has adapted to the practice.

The impact of COVID has been felt due to an increase in sickness absence with many staff needing to isolate on a regular basis. This was particularly difficult when the highly transmissible Omicron variant was prevalent during the Winter months. We have continued to follow all the government guidance on isolation (for both office and clinical spaces) and staff who are diagnosed with COVID receive sick pay in line with our sick pay scheme.

Like many employers we are finding that the expectations of workers and job hunters have changed since the start of the pandemic, we continue to experience difficulties attracting the right candidates. This year, we have also been keen to retain staff and in support of that strategy, the Board approved a minimum pay award of 4.5% in April 2022, following a number of years with low or no increase to basic salaries. The board agreed to increase all staff pay to a minimum of the Living Wage and to make some further adjustments above the 4.5% pay award to position ourselves well within the job market. We will continue to monitor developments throughout the coming year.

Nurse recruitment has not eased over the last year, but we are addressing our needs by recruiting from the international market. The Trust is now established as a Level One Visa sponsor and to date we have offered roles to three African nurses who joined in June 2022.

Our Volunteering has seen an improvement since the lifting of restriction and the number of active volunteers is close to pre-pandemic levels. In March 2022 we had 490 volunteers (360 of whom were in our Charity Shops). We have also started a new volunteer led project, recycling unwanted bikes. To date, we have repaired over 140 donated bikes raising over £10,000.



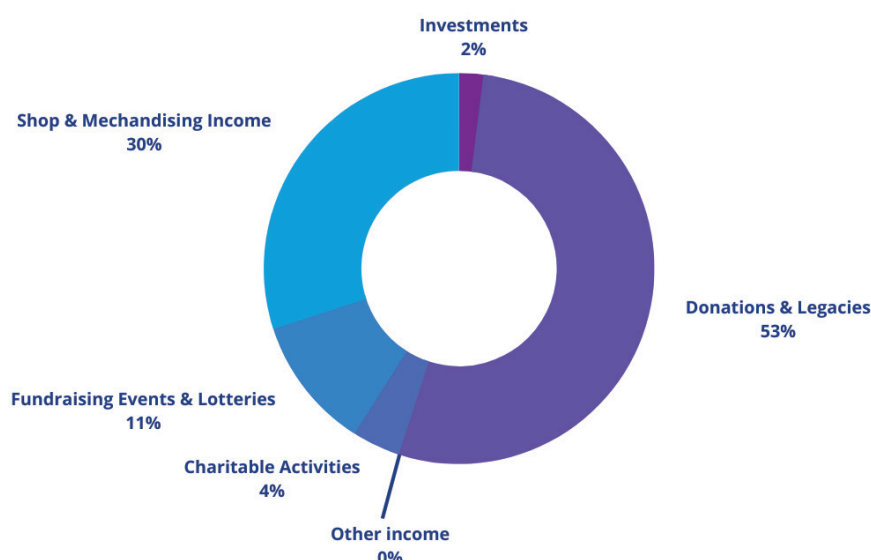
Financial Review

The pandemic continued to cause financial uncertainty for many during 2021/22. Our financial position has remained strong with a healthy surplus of £1,916,902 for the year ending 31 March 2022, much of which is attributable to good investment performance of £1,133,598. At the end of the financial year total funds held are £30,651,228 (2021: £28,734,326). For an explanation of the breakdown of total funds held, refer to page 17.

COVID-19 Support continued during the year from the NHS and government through the Job retention scheme, Retail restart grants, business rate reductions and the NHS COVID-19 emergency funding, ensuring our services are here for the future.

Total income for the year ending 31 March 2022 amounted to £7,978,796 (2021: £7,631,096).

INCOME 21-22 - £7,978,796



NHS England supported our services through the Children's Hospice Grant Scheme with an increased annual grant of £620,755 (2021: £602,676). Income from Clinical Commissioning Groups (CCG's) was £211,975 (2021: £416,590). The NHSE awarded funding to allow the hospice to make available bed capacity and community support from December 2021 to March 2022 providing support to people with complex needs in the context of the COVID-19 situation.

At the end of the year, our retail network was made up of 21 shops (2021: 22) selling donated goods and a small quantity of bought in goods. The financial results were pleasing with nearly a full year's trading, generating income of £2,352,717 (2021: £613,365). Retail Gift Aid claimed from HMRC totalled £115,948 (2021: £33,848). Our retail network continued to utilise the Government support on offer throughout the year with the re-start grants in April and reduced business rates.

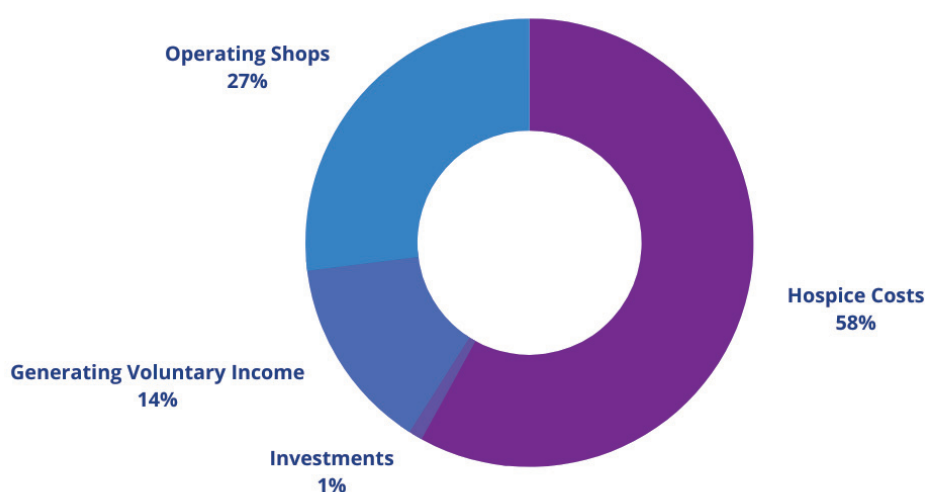
Naomi House Children's Hospice Limited is a wholly owned subsidiary of the Trust. The subsidiary is the agent for the Retail Gift Aid Scheme along with carrying out all trading activities. All profits from the trading activities can be gift aided to the Trust, subject to HMRC regulations, benefiting the charity by reducing any corporation tax liability on trading activities. Retail activity came back strongly after the COVID restrictions, resulting in increased trading company turnover of £18,463 (2021: £9,080).



Trustees' Report Cont.

As we manoeuvred our way out of COVID-19 restrictions it was anticipated that our cost base would increase, through careful management we have maintained our costs at £7,195,492 (2021: £7,118,960). During 2022/23, our aim is to open both Naomi House and Jacksplace simultaneously, which will result in increased costs during the year with the intention that we will make use of our reserves to fund additional investment.

Expenditure 21-22 - £7,195,492



Investments

The Trust's investment portfolio was valued at £14,615,933 as at the 31 March 2022. The capital value of the investments increased by £1,133,598 (2021: £2,233,082).

The Trust's investment portfolio is managed by an independent fund manager, Veritas, in accordance with the Trust's investment policy. As with all investment portfolios this is subject to market conditions. The investment managers objectives are "real return on a rolling 5-year view with an emphasis on capital growth with income". Achieving 50.4% over the 5-year rolling period.

Veritas monitor and assess the overall Ethical, Social and Governance risk of all companies they invest in, with the majority of investments ranking in the top 20% for ESG risk compared to their peers.

World events, such as the invasion of the Ukraine, increased inflation rates and a cost-of-living crisis have had a detrimental effect on investment markets, resulting in a dip in our portfolio valuation since the end of March. Trustees continue to monitor this situation albeit are aware that stock market investment is for the long term. We are in a fortunate cash position whereby it is unlikely we'll need to draw upon our investments in the short term.



Reserve Policy

The purpose of reserves is to secure the future of our services and long-term obligation to the children, young adults and families we support. Our reserves ensure that we can sustain periods where our income is unpredictable and allows us to absorb our forecast deficit of £420,000 in 2022/23.

It is the opinion of the Trustees that it is prudent that the Naomi House and Jacksplace services, require ideally reserves of 18 months, to ensure the continuity of care, in the event of a large variation of income. The balance at the 31 March 2022, of £4,151,000 for the Naomi House designated fund and £3,620,000 for the Jacksplace designated fund, represents a coverage of 18 months of care and fundraising costs.

Free Unrestricted Reserves	£4,162,373	14%
Free Reserve - Non-Charitable Trading	£10,929	0%
Free Reserves - Revaluation Reserve	£4,555,344	15%
Designated Funds Reserves	£9,742,102	32%
Designated Fixed Asset Funds	£5,365,223	17%
Restricted Funds (Including endowment)	£6,815,257	22%
Total Funds	£30,651,228	100%

The general unrestricted reserves fund increased as at 31 March 2022 to £4,173,302 (2021: £3,547,517) due to an in-year surplus and unrealised investment gains.

Financial Sustainability

On behalf of the Board, the Finance Risk and Audit Committee (FRAC) has undertaken a detailed review of the cashflow forecasts, unrestricted reserves and investment position of the group and has provided assurance to the Board of the sustainability of the group for the foreseeable future.

Key financial sustainability considerations were:

- Strong balance sheet of £30,651,228.
- Board confidence to plan for a deficit budget, utilising reserves to benefit the service.
- Robust cost management ensuring efficiencies whilst maintaining an excellent service.
- Planned capital programme of nearly £1m.
- Investment portfolio of £14,615,933.

Strategy 2020-25

Our 5-year strategy remains applicable despite the difficulties encountered over the last few years with the impact of COVID-19.

- Continue to Make a Difference to Families Every day.
- Afford our Ambitions.
- Be at the Forefront of a Changing Healthcare Landscape.

As we approach the halfway point of our strategy, we recognise the achievements highlighted within the Strategic Report and strive to make a difference going forward by increasing staff numbers with the aim of growing activity.



Trustees' Report Cont.

Statement of Trustees' Responsibilities

The Trustees (who are also directors of Wessex Children's Hospice Trust for the purposes of company law) are responsible for preparing the report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

- Select suitable accounting policies and then apply them consistently.
- Observe the methods and principles in the Charities SORP.
- Make judgments 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 charitable company will continue in operation.

The Trustees 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. They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustees are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware; and
- The Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Trustees undertake and complete training, as defined and required by the Board, and themselves, to ensure they can effectively perform their Trustee role.

Auditor

Crowe U.K. LLP have indicated their willingness to continue as statutory auditors to the Trust.

The Trustees approved this report, including the strategic report on and it was signed on their behalf by

Faith Ramsay - Chair



Independent Auditor's Report to the Members of Wessex Children's Hospice Trust

Opinion

We have audited the financial statements of Wessex Children's Hospice Trust (the 'parent charitable company') and its subsidiary (the 'group') for the year ended 31 March 2022 which comprise the Consolidated Statement of Financial Activities, the Consolidated balance sheet, the Company 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 March 2022 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the 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 the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's or the parent 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 Trustees with respect to going concern are described in the relevant sections of this report.

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.



Independent Auditor's Report to the Members of Wessex Children's Hospice Trust Cont.

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 Trustees' Report including the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report and the Strategic Report have 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 Trustees' Report including the Strategic Report.

We have nothing to report in respect of the following matters in relation to which Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Group's and the parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Group or the parent charitable company or 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 (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.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charitable company and group 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, the Charities Act 2011, together with the Charities SORP (FRS 102). 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 and the group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company and the group for fraud. The laws and regulations we considered in this context for the charity were the Gambling Commission, CQC Regulations and General Data Protection 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 with the completeness and accuracy of certain income streams and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, and the Finance, Risk and Audit Committee about their own identification and assessment of the risks of irregularities, designing audit procedures over income, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission and reading minutes of meetings of those charged with governance.



Independent Auditor's Report to the Members of Wessex Children's Hospice Trust Cont.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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. Our audit work has been undertaken so that we might state to the charitable company's members 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 and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

Janette Joyce (Senior statutory auditor)

for and on behalf of

Crowe U.K. LLP

Statutory Auditor
Aquis House
49-51 Blagrove Street
Reading
Berkshire
RG1 1PL

Date: 4th October 2022



Consolidated Statement of Financial Activities (Incorporating Income and Expenditure Account)

Wessex Children's Hospice Trust - 02601495
For the year ended 31 March 2022

	Note	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Income from:					
Donations and legacies	3	3,391,322	876,209	4,267,531	5,594,077
Charitable activities	4	282,127	-	282,127	511,127
Other trading activities:					
Fund raising events and lotteries		879,462	-	879,462	749,301
Income from shops and merchandising		2,352,717	-	2,352,717	613,365
Investments	5	187,486	-	187,486	147,280
Other income		9,473	-	9,473	15,946
Total income		7,102,587	876,209	7,978,796	7,631,096
Expenditure on:					
Raising funds:	6				
Voluntary income		993,927	-	993,927	1,042,858
Operating shops		1,932,021	-	1,932,021	1,610,859
Investments		114,319	-	114,319	93,273
Charitable activities	7	3,090,644	1,064,581	4,155,225	4,371,970
Total expenditure		6,130,911	1,064,581	7,195,492	7,118,960
Net income/(expenditure) before net gains on investments		971,676	(188,372)	783,304	512,136
Net gains on investments	13	1,133,598	-	1,133,598	2,233,082
Net income/(expenditure)		2,105,274	(188,372)	1,916,902	2,745,218
Transfers between funds	18	(9,038)	9,038	-	-
Net movement in funds		2,096,236	(179,334)	1,916,902	2,745,218
Reconciliation of funds:					
Total funds brought forward	18	21,739,735	6,994,591	28,734,326	25,989,108
Net movement in funds		2,096,236	(179,334)	1,916,902	2,745,218
Total funds carried forward	18	23,835,971	6,815,257	30,651,228	28,734,326

The notes on pages 27 to 50 form part of these financial statements



Consolidated Balance Sheet

Wessex Children's Hospice Trust - 02601495
As at 31 March 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	12	11,993,676	11,534,933
Investments	13	14,615,933	12,599,635
		<u>26,609,609</u>	<u>24,134,568</u>
Current assets			
Stocks	14	14,450	15,162
Debtors	15	1,656,234	2,598,279
Cash at bank and in hand		3,060,523	2,889,190
		<u>4,731,207</u>	<u>5,502,631</u>
Creditors: amounts falling due within one year	16	(689,588)	(902,873)
Net current assets		<u>4,041,619</u>	<u>4,599,758</u>
Total net assets		<u>30,651,228</u>	<u>28,734,326</u>
Charity funds			
Restricted funds	18	6,815,257	6,994,591
Unrestricted funds			
Designated funds	18	15,107,325	14,653,174
General funds	18	4,173,302	3,547,517
Revaluation reserve	18	4,555,344	3,539,044
Total unrestricted funds	18	<u>23,835,971</u>	<u>21,739,735</u>
Total funds		<u>30,651,228</u>	<u>28,734,326</u>

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

Faith Ramsay - Chair

Date: 4th October 2022

The notes on pages 27 to 50 form part of these financial statements



Company Balance Sheet

Wessex Children's Hospice Trust - 02601495 As at 31 March 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	12	11,993,676	11,534,933
Investments	13	14,615,935	12,599,637
		26,609,611	24,134,570
Current assets			
Stocks	14	13,685	13,346
Debtors	15	1,659,697	2,597,926
Cash at bank and in hand		3,042,583	2,881,868
		4,715,965	5,493,140
Creditors: amounts falling due within one year	16	(686,013)	(899,956)
Net current assets		4,029,952	4,593,184
Total assets less current liabilities		30,639,563	28,727,754
Total net assets		30,639,563	28,727,754
Charity funds			
Restricted funds	18	6,815,257	6,994,591
Unrestricted funds			
Designated funds	18	15,107,325	14,653,174
General funds	18	4,161,637	3,540,945
Revaluation reserve	18	4,555,344	3,539,044
Total unrestricted funds	18	23,824,306	21,733,163
Total funds		30,639,563	28,727,754

The surplus for the Charity dealt with in the financial statements was £1,912,548 (2021: £2,749,969 surplus).
The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

Faith Ramsay- Chair

Date: 4th October 2022

The notes on pages 27 to 50 form part of these financial statements



Consolidated Statement of Cash Flows

Wessex Children's Hospice Trust - 02601495
For the year ended 31 March 2022

	Note	2022 £	2021 £
Cash flows from operating activities			
Net cash provided by operating activities	20	1,905,863	1,832,457
Cash flows from investing activities			
Dividends and interest from investments		187,486	147,280
Purchase of tangible fixed assets		(919,185)	(178,890)
Withdrawals from investment portfolio		166,802	158,026
Additions to investment portfolio		(1,169,633)	(1,135,455)
Net cash used in investing activities		(1,734,530)	(1,009,039)
Change in cash and cash equivalents in the year		171,333	823,418
Cash and cash equivalents at the beginning of the year		2,889,190	2,065,772
Cash and cash equivalents at the end of the year	21	3,060,523	2,889,190

The notes on pages 27 to 50 form part of these financial statements



Notes to the Financial Statements

1. General information

Wessex Children's Hospice Trust is a registered charity (charity number 1002832) and a private company limited by guarantee (company number 02601495) incorporated in England & Wales. The registered office and principal place of business is Stockbridge Road, Sutton Scotney, Winchester, SO21 3JE. This is also the address of its wholly owned subsidiary Naomi House Children's Hospice Ltd.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - 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), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Companies Act 2006 and the Charities Act 2011.

Wessex Children's Hospice Trust meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

These financial statements consolidate the results of the charitable company and its wholly-owned subsidiary Naomi House Children's Hospice Ltd on a line by line basis. Transactions and balances between the charitable company and its subsidiary have been eliminated from the consolidated financial statements. A separate statement of financial activities, or income and expenditure account, for the charitable company itself is not presented because the charitable company has taken advantage of the exemptions afforded by section 408 of the Companies Act 2006. The Charity has taken advantage of the exemptions in FRS 102 from the requirement to present a charity only Cash Flow Statement and certain disclosures about its own financial instruments within the consolidated financial statements.

2.2 Going concern

The Trustees consider that there are no material uncertainties about the Group's ability to continue as a going concern.

After the significant impact of COVID-19 the Trustees are acutely aware of the importance of planning and forecasting to assess the sustainability of the Group. Despite the current economic pressures of the Cost-of-Living Crisis and the war in the Ukraine, the Trustees believe that the Group's financial resources and contingency planning is sufficient to ensure the ability of the Group as a going concern for the foreseeable future, being at least twelve months from the date of approval of these financial statements and therefore have prepared the financial statements on a going concern basis.

2.3 Income

Income is recognised when the Group has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.



Notes to the Financial Statements Cont.

Income from government grants (including retail grants) and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the Group has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably.

Where entitlement occurs before income is received, the income is accrued. Where income is received in advance of the Group having entitlement to the funds the income is deferred.

Donations and gifts represents amounts receivable during the year, together with any associated tax refund and do not include the value of any pledges secured for future donations. Income from gift aid tax reclaims is recognised for all donations made prior to the year end, where valid gift aid declarations are held.

The contribution of volunteers is not included in the Statement of Financial Activities, but is disclosed in the Trustees' Report in accordance with the SORP.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

Where legacies have been notified to the charity, but the criteria for income recognition have not been met, the legacy is treated as a contingent asset and disclosed if material in note 23.

The recognition of income from legacies is dependent on establishing entitlement, the probability of receipt and the ability to estimate with sufficient accuracy the amount receivable. Evidence of entitlement to a legacy exists when the charity has sufficient evidence that a gift has been left to them (through knowledge of the existence of a valid will and the death of the benefactor) and the executor is satisfied that the property in question will not be required to satisfy claims in the estate. Receipt of a legacy must be recognised when it is probable that it will be received and the fair value of the amount receivable, which will generally be the expected cash amount to be distributed to the charity, can be reliably measured.

2.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Expenditure is classified under the following activity headings:

- Costs of raising funds relate to the costs incurred by the Group in inducing third parties to make voluntary contributions to it, the costs of running the charity shops, as well as the cost of any activities with a fundraising purpose. It also includes the investment manager fees.
- Expenditure on charitable activities includes the costs of running the Naomi House and Jacksplace hospices together, including the long term ventilation unit, with the provision of support for the families of the referred children and young people.

Irrecoverable VAT is charged as a cost to the Statement Of Financial Activities when the expenditure is incurred.



2.5 Allocation of support costs

Expenditure is allocated to the particular activity where the cost relates directly to that activity.

However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned on the following basis which are an estimate, based on staff time, of the amount attributable to each activity.

Where information about the aims, objectives and projects of the charity is provided to potential beneficiaries, the costs associated with this publicity are allocated to charitable expenditure.

Support and governance costs are reallocated to each of the activities on the following basis:

• Cost of generating income	15%
• Costs of merchandising & shops	23%
• Costs of investments	1%
• Naomi House	31%
• Jacksplace	23%
• LTV	0.3%
• Community & Family Support	6.7%

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities and are included within support costs.

2.6 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Group; this is normally upon notification of the interest paid or payable by the bank.

2.7 Operating leases

Rental charges are charged to the Statement of Financial Activities on a straight line basis over the term of the lease.

2.8 Tangible fixed assets and depreciation

Tangible fixed assets costing £2,500 or more are capitalised.

Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives.

Depreciation is provided on the following bases:

Leasehold land	- Over period lease
Leasehold buildings	- 50 years
Motor vehicles	- 4 years
Fixtures and fittings	- 5 years
Computer equipment	- 3 years



Notes to the Financial Statements Cont.

2.9 Listed investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the Balance Sheet date using the closing quoted market price. Any change in fair value will be recognised in the Statement of Financial Activities and any excess of fair value over the historic cost of the investments will be shown as a fair value reserve in the Balance Sheet. Investment gains and losses, are shown in the heading "Net gains/(losses) on investments" in the Statement of Financial Activities. The Group does not acquire put options, derivatives or other complex financial instruments.

Investments in subsidiaries are valued at cost.

2.10 Stocks

Stocks are stated at the lower of cost and net realisable value. In general, cost is determined on a first in first out basis and includes transport and handling costs. Net realisable value is the price at which stocks can be sold in the normal course of business after allowing for the costs of realisation. Provision is made where necessary for obsolete, slow moving and defective stocks.

2.11 Debtors

Trade debtors, other debtors and accrued income are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.12 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2.13 Creditors

Creditors are recognised where the Group has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are normally recognised at their settlement amount after allowing for any trade discounts due.

2.14 Financial instruments

The Group only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

2.15 Pensions

The Trust operates two pension schemes. The first is a defined contribution pension scheme, the assets of which are held independently from those of the Group. Expenditure made through the Statement of Financial Activities represents the contributions arising in the year.

The second scheme is a final salary multi-employer pension plan which is available for certain employees only. It is not possible to identify separately the assets and liabilities relating to Wessex Children's Hospice Trust for the purposes of FRS 102 disclosure.



As neither the Trust nor its employees are liable to pay any additional sums towards a funding shortfall, which is met directly by the Exchequer, pension contributions are accounted for in the year in which they become payable. See Note 25 for more details.

2.16 Fund accounting

Unrestricted funds are donations and other income received or generated for the charitable purposes and have not been designated for other purposes.

Designated funds are unrestricted funds earmarked by the Trustees for particular purposes. Details of the aim and use of designated funds are included within the notes to the financial statements.

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund. Details of the restrictions are included within the notes to the financial statements.

Endowment funds are investments donated to the charity to generate income which can be spent on charitable activities. Details of the aim and use of endowment funds are included within the notes to the financial statements.

2.17 Significant estimates and judgements

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have been made include:

Management judgement is applied over the valuation of legacy income and the legacy pipeline where cash is not yet received. See note 2.3 for the legacy accounting policy and note 23 for the value of the legacy pipeline.



Notes to the Financial Statements Cont.

3. Income from donations and legacies

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Grants				
Grants & Trusts	184,093	187,814	371,907	368,073
Government grants				
NHS England Children's Hospices Grants Programme	-	620,755	620,755	602,676
COVID-19 Retail Grant	82,666	-	82,666	310,605
Coronavirus Job Retention Scheme	70,007	-	70,007	880,640
NHSE Emergency COVID-19 grant funding	-	67,640	67,640	1,203,333
	<u>336,766</u>	<u>876,209</u>	<u>1,212,975</u>	<u>3,365,327</u>
Donations	1,250,385	-	1,250,385	1,170,193
Legacies	1,804,171	-	1,804,171	1,058,557
	<u>3,391,322</u>	<u>876,209</u>	<u>4,267,531</u>	<u>5,594,077</u>
<i>Total 2021</i>	<u><u>3,582,405</u></u>	<u><u>2,011,672</u></u>	<u><u>5,594,077</u></u>	

In 2021/2022 NHSE awarded funding to allow the hospice to make available bed capacity and community support from December 21 to March 22 to provide support to people with complex needs in the context of the COVID-19 situation and to provide bed capacity and community support.

4. Income from charitable activities

	2022 £	2021 £
Clinical Commissioning Groups	211,975	416,590
Individuals	33,450	26,400
Other	36,702	68,137
	<u>282,127</u>	<u>511,127</u>

Income from charitable activities is unrestricted during this and the prior year.



5. Investment income

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Dividends	187,405	187,405	146,840
Interest	81	81	440
	<u>187,486</u>	<u>187,486</u>	<u>147,280</u>
<i>Total 2021</i>	<u>147,280</u>	<u>147,280</u>	

6. Expenditure on raising funds

Costs of raising voluntary income

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Other staff and volunteer costs	2,734	2,734	1,078
Direct costs	215,827	215,827	300,868
Overhead costs	155,874	155,874	140,653
Wages and salaries	453,483	453,483	438,457
National Insurance	43,715	43,715	40,783
Pension costs	29,349	29,349	28,542
Depreciation	-	-	3,028
Allocated centrally incurred fundraising and governance costs	92,945	92,945	89,449
	<u>993,927</u>	<u>993,927</u>	<u>1,042,858</u>
<i>Total 2021</i>	<u>1,042,858</u>	<u>1,042,858</u>	



Notes to the Financial Statements Cont.

6. Expenditure on raising funds (continued)

Costs of operating shops

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Facilities & maintenance	91,803	91,803	622,259
Direct costs	499,051	499,051	-
Other staff costs	6,394	6,394	-
Overhead costs	250,984	250,984	-
Wages and salaries	848,809	848,809	761,753
National Insurance	53,195	53,195	45,336
Pension costs	26,104	26,104	25,034
Depreciation	13,953	13,953	18,367
Allocated centrally incurred support and governance costs	141,728	141,728	138,110
	<u>1,932,021</u>	<u>1,932,021</u>	<u>1,610,859</u>
<i>Total 2021</i>	<u>1,610,859</u>	<u>1,610,859</u>	

7. Analysis of expenditure by charitable activities

	Activities undertaken directly 2022 £	Support costs 2022 £	Total funds 2022 £	Total funds 2021 £
Naomi House	1,760,117	192,087	1,952,204	2,222,817
Jacksplace	1,484,899	142,516	1,627,415	1,676,862
Long Term Ventilation Unit	17,110	1,859	18,969	24,055
Community & Family Support	514,302	42,335	556,637	448,236
	<u>3,776,428</u>	<u>378,797</u>	<u>4,155,225</u>	<u>4,371,970</u>
<i>Total 2021</i>	<u>4,005,386</u>	<u>366,584</u>	<u>4,371,970</u>	



7. Analysis of expenditure by charitable activities (continued)

Analysis of direct costs

	Naomi House 2022 £	Jacksplace 2022 £	LTV 2022 £	Community & Family Support 2022 £	Total funds 2022 £	Total funds 2021 £
Staff costs	1,178,254	994,018	11,454	344,283	2,528,009	2,687,811
Depreciation	185,465	156,465	1,803	54,192	397,925	429,280
Other staff & volunteer costs	3,030	2,556	29	885	6,500	30,580
Direct costs	160,841	135,691	1,564	46,997	345,093	318,603
Facilities & maintenance	77,483	65,367	753	22,640	166,243	179,763
Overhead costs	155,044	130,802	1,507	45,305	332,658	359,349
	<u>1,760,117</u>	<u>1,484,899</u>	<u>17,110</u>	<u>514,302</u>	<u>3,776,428</u>	<u>4,005,386</u>
<i>Total 2021</i>	<u><u>2,036,974</u></u>	<u><u>1,536,663</u></u>	<u><u>21,990</u></u>	<u><u>409,759</u></u>	<u><u>4,005,386</u></u>	

Analysis of support costs

	Naomi House 2022 £	Jacksplace 2022 £	LTV 2022 £	Community & Family Support 2022 £	Total funds 2022 £	Total funds 2021 £
Staff costs	118,747	88,102	1,149	25,665	233,663	261,253
Depreciation	580	430	6	125	1,141	2,862
Other staff & volunteer costs	30,987	22,991	300	6,691	60,969	22,208
Direct costs	13	10	-	3	26	-
Overhead costs	41,760	30,983	404	9,851	82,998	80,261
	<u>192,087</u>	<u>142,516</u>	<u>1,859</u>	<u>42,335</u>	<u>378,797</u>	<u>366,584</u>
<i>Total 2021</i>	<u><u>185,843</u></u>	<u><u>140,199</u></u>	<u><u>2,065</u></u>	<u><u>38,477</u></u>	<u><u>366,584</u></u>	



Notes to the Financial Statements Cont.

7. Analysis of expenditure by charitable activities (continued)

Analysis of support costs (continued)

Governance costs of £21,130 (2021: £20,446) are included within support costs.

8. Auditor's remuneration

The auditor's remuneration amounts to an auditor fee of £15,875 (2021 - £15,120), and non-audit fees of £4,850 (2021 - £4,850).

9. Staff costs

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Wages and salaries	3,758,125	3,852,997	3,758,125	3,852,997
Social security costs	337,624	344,866	337,624	344,866
Contribution to defined contribution and defined benefit pension schemes	265,934	255,896	265,934	255,896
	4,361,683	4,453,759	4,361,683	4,453,759

Redundancy and termination payments totalling £17,250 were made to three employees during the financial year (2021: £20,161 to seven employees).

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

	Group 2022 No.	Group 2021 No.
Care	80	91
Fundraising	17	16
Retail & Merchandise	55	54
Management & Administration	9	12
	161	173



9. Staff costs (continued)

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	Group 2022 No.	Group 2021 No.
In the band £60,001 - £70,000	1	1
In the band £80,001 - £90,000	1	1
In the band £90,001 - £100,000	1	1

The total employee benefits including pension contributions and employers NI of the key management personnel were £413,675 (2021: £438,580). Key management personnel are listed on page 1.

10. Trustees' remuneration and expenses

The Charity Trustees were neither paid nor received any other benefits from employment with the charity in the year (2021: £Nil). No Charity Trustee received payment for professional or other services supplied to the charity (2021: £Nil).

Expenses of £10 (2021: £55) were paid for, or reimbursed to, one trustee (2021: one trustee). Expenses related to travel and subsistence.

11. Taxation

The Charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes. The Charity's trading subsidiary Naomi House Children's Hospice Ltd gift aids available profits to the parent Charity within nine months of the year end so it has no tax charge.



Notes to the Financial Statements Cont.

12. Tangible fixed assets

Group and Company

	Freehold property £	Leasehold land and property £	Motor vehicles £	Fixtures and fittings and computer equipment £	Assets under construction £	Total £
Cost						
At 1 April 2021	700,000	13,466,917	218,665	1,377,846	-	15,763,428
Additions	-	-	2,749	29,363	887,073	919,185
Disposals	-	-	-	(24,399)	-	(24,399)
VAT adjustment	-	(46,693)	-	-	-	(46,693)
At 31 March 2022	700,000	13,420,224	221,414	1,382,810	887,073	16,611,521
Depreciation						
At 1 April 2021	-	2,881,538	192,244	1,154,713	-	4,228,495
Charge for the year	-	330,140	17,266	66,343	-	413,749
On disposals	-	-	-	(24,399)	-	(24,399)
At 31 March 2022	-	3,211,678	209,510	1,196,657	-	4,617,845
Net book value						
At 31 March 2022	700,000	10,208,546	11,904	186,153	887,073	11,993,676
At 31 March 2021	700,000	10,585,379	26,421	223,133	-	11,534,933



13. Fixed asset investments

Group	Listed investments £
Cost or valuation	
At 1 April 2021	12,599,635
New money invested	1,169,633
Amounts extracted	(166,802)
Net gain on change in fair value	1,133,549
Investment management fees	(120,082)
At 31 March 2022	<u>14,615,933</u>

Company	Investments in subsidiary companies £	Listed investments £	Total £
Cost or valuation			
At 1 April 2021	2	12,599,635	12,599,637
New money invested	-	1,169,633	1,169,633
Amounts extracted	-	(166,802)	(166,802)
Net gain on change in fair value	-	1,133,549	1,133,549
Investment management fees	-	(120,082)	(120,082)
At 31 March 2022	<u>2</u>	<u>14,615,933</u>	<u>14,615,935</u>



Notes to the Financial Statements Cont.

13. Fixed asset investments (continued)

Principal subsidiary

The following was a subsidiary undertaking of the Company:

Name	Company number	Registered office or principal place of business	Principal activity
Naomi House Children's Hospice Ltd	02861158	Naomi House, Stockbridge Road, Sutton Scotney, Winchester, SO21 3JE	Non-primary purpose trading

Class of shares	Holding	Included in consolidation
Ordinary	100%	Yes

The financial results of the subsidiary for the year were:

Name	Income £	Expenditure £	Profit for the year £	Net assets £
Naomi House Children's Hospice Ltd	18,463	(13,367)	5,096	10,929

14. Stocks

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Finished goods and goods for resale	14,450	15,162	13,685	13,346

15. Debtors

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Trade debtors	18,218	95,404	18,218	95,404
Amounts owed by group undertakings	-	-	5,217	-
Other debtors	59,971	60,732	58,217	60,379
Prepayments and accrued income	1,578,045	2,442,143	1,578,045	2,442,143
	1,656,234	2,598,279	1,659,697	2,597,926



16. Creditors: Amounts falling due within one year

	Group 2022 £	<i>Group 2021 £</i>	Company 2022 £	<i>Company 2021 £</i>
Trade creditors	199,265	263,205	199,265	263,205
Amounts owed to group undertakings	-	-	-	533
Other taxation and social security	80,989	72,312	80,989	72,312
Other creditors	115,398	149,225	115,398	149,225
Accruals and deferred income	293,936	418,131	290,361	414,681
	689,588	902,873	686,013	899,956

Deferred income of £121,494 (2021: £160,785) relates to amounts received in advance for events held in the next financial year and a deferred grant. All of the prior year deferred income has been released in the current year.

17. Financial instruments

	Group 2022 £	<i>Group 2021 £</i>	Company 2022 £	<i>Company 2021 £</i>
Financial assets				
Financial assets measured at fair value through income and expenditure	14,615,933	12,599,635	14,615,933	12,599,635

Financial assets measured at fair value through income and expenditure comprise listed investments.



Notes to the Financial Statements Cont.

18. Statement of funds

Statement of funds - current year

	Balance at 1 April 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2022 £
Unrestricted funds						
Designated funds						
Fixed Asset fund	4,730,574	-	-	634,649	-	5,365,223
Naomi House fund	4,486,000	-	-	(335,000)	-	4,151,000
Jacksplace fund	4,029,000	-	-	(409,000)	-	3,620,000
Capital Development Fund	234,000	-	-	687,000	-	921,000
Retail Operations Fund	1,173,600	-	-	(123,498)	-	1,050,102
	<u>14,653,174</u>	<u>-</u>	<u>-</u>	<u>454,151</u>	<u>-</u>	<u>15,107,325</u>
General funds						
General Funds	3,540,943	7,084,863	(6,117,542)	(463,189)	117,298	4,162,373
Non-charitable trading funds	6,574	17,724	(13,369)	-	-	10,929
Fair value reserve	3,539,044	-	-	-	1,016,300	4,555,344
	<u>7,086,561</u>	<u>7,102,587</u>	<u>(6,130,911)</u>	<u>(463,189)</u>	<u>1,133,598</u>	<u>8,728,646</u>
Total Unrestricted funds	<u>21,739,735</u>	<u>7,102,587</u>	<u>(6,130,911)</u>	<u>(9,038)</u>	<u>1,133,598</u>	<u>23,835,971</u>



18. Statement of funds (continued)

	Balance at 1 April 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2022 £
Restricted funds						
Fixed Asset Fund-Jacksplace	1,676,775	-	(55,797)	22,157	-	1,643,135
Fixed Asset Fund-Naomi House	5,136,621	-	(151,303)	-	-	4,985,318
Jacksplace Fund	-	100,000	(100,000)	-	-	-
Hospice Running Costs	6,500	747,086	(748,586)	-	-	5,000
Building & Facilities	146,404	29,123	(8,895)	(13,119)	-	153,513
Diversion Therapy	18,291	-	-	-	-	18,291
Endowment Fund	10,000	-	-	-	-	10,000
	<u>6,994,591</u>	<u>876,209</u>	<u>(1,064,581)</u>	<u>9,038</u>	<u>-</u>	<u>6,815,257</u>
Total of funds	<u>28,734,326</u>	<u>7,978,796</u>	<u>(7,195,492)</u>	<u>-</u>	<u>1,133,598</u>	<u>30,651,228</u>



Notes to the Financial Statements Cont.

18. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 April 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2021 £
Unrestricted funds						
Designated funds						
Fixed Asset fund	4,795,885	-	-	(65,311)	-	4,730,574
Naomi House fund	4,486,000	-	-	-	-	4,486,000
Jacksplace fund	4,029,000	-	-	-	-	4,029,000
Capital Development Fund	314,550	-	-	(80,550)	-	234,000
Retail Operations Fund	774,000	-	-	399,600	-	1,173,600
	<u>14,399,435</u>	<u>-</u>	<u>-</u>	<u>253,739</u>	<u>-</u>	<u>14,653,174</u>
General funds						
General Funds	2,613,382	5,615,834	(4,556,438)	(253,739)	121,904	3,540,943
Non-charitable trading funds	11,325	3,590	(8,341)	-	-	6,574
Fair value reserve	1,427,866	-	-	-	2,111,178	3,539,044
	<u>4,052,573</u>	<u>5,619,424</u>	<u>(4,564,779)</u>	<u>(253,739)</u>	<u>2,233,082</u>	<u>7,086,561</u>
Total Unrestricted funds	<u>18,452,008</u>	<u>5,619,424</u>	<u>(4,564,779)</u>	<u>-</u>	<u>2,233,082</u>	<u>21,739,735</u>



18. Statement of funds (continued)

	<i>Balance at 1 April 2020</i>	<i>Income</i>	<i>Expenditure</i>	<i>Transfers in/out</i>	<i>Gains/ (Losses)</i>	<i>Balance at 31 March 2021</i>
	£	£	£	£	£	£
Restricted funds						
Fixed Asset Fund-Jacksplace	5,165,004	35,712	(155,157)	91,064	-	5,136,623
Fixed Asset Fund-Naomi House	1,999,429	-	(367,052)	44,397	-	1,676,774
Jacksplace Fund	51,348	100,000	(151,348)	-	-	-
Hospice Running Costs	5,001	1,845,960	(1,844,461)	-	-	6,500
Building & Facilities	260,228	-	-	(113,825)	-	146,403
Diversion Therapy	46,090	-	(6,163)	(21,636)	-	18,291
Endowment Fund	10,000	-	-	-	-	10,000
Bereavement Support	-	30,000	(30,000)	-	-	-
	<u>7,537,100</u>	<u>2,011,672</u>	<u>(2,554,181)</u>	<u>-</u>	<u>-</u>	<u>6,994,591</u>
Total of funds	<u>25,989,108</u>	<u>7,631,096</u>	<u>(7,118,960)</u>	<u>-</u>	<u>2,233,082</u>	<u>28,734,326</u>



Notes to the Financial Statements Cont.

18. Statement of funds (continued)

Unrestricted funds

Charity only unrestricted funds total £22,741,880, being total unrestricted funds of £22,752,178 less the trading subsidiary retained earnings of £10,278.

Purposes of restricted funds

Restricted funds can only be expended in accordance with the donors' specific instructions. The purpose of each fund is as follows:

Fixed Asset Fund - Jacksplace

The net book value of restricted fixed assets purchased with restricted funds and predominantly relates to the Jacksplace hospice.

Fixed Asset Fund - Naomi House

This represents the refurbishment cost funded by restricted funds.

Jacksplace Fund

Funds received specifically to meet the running cost of Jacksplace.

Hospice Running Costs

This denotes donations received to pay for care staff and the direct costs of running both hospices.

Building & Facilities

This fund relates to donations received explicitly to meet the costs of improving and maintaining hospice facilities.

Diversion Therapies

This covers the cost of the wide range of therapies, play and activities which enrich the children and young adult's stays.

Endowment Fund

This was donated to the Trust to be held as investment cash to generate income from interest.

Purpose of designated funds

The designated funds comprise:

Fixed Asset Fund

This is the net book value of unrestricted Tangible Fixed Assets. This mainly represents the Naomi House building and equipment.

Naomi House Fund

Children's hospice services are expensive to run and the families are highly dependent on the Trust providing uninterrupted services from initial referrals right through to end of life.

Our funding is highly dependent on private rather than government sources. The Trustees have to ensure that there are sufficient reserves to keep our Naomi House hospice open and running to capacity.



This fund ensures that a continued service can be delivered in the event of an unforeseen income disruption. This would include a failure of fundraising arising from changes in sentiment, relationships and reputation.

The Trustees have calculated that a reserve to secure 18 months running costs of the Naomi House hospice (and the related community & family services) would ensure continuity in the event of a large variation in income. The balance at 31 March 2022 of £4.5m represents 18 months of Care, Fundraising and Management costs.

Jacksplace Fund

Similar to Naomi House above. This is to ensure that a continued service can be delivered in the event of an unforeseen income disruption. The fund should represent 18 months running costs of the Jacksplace young adult's hospice to ensure continuity in the event of a large variation in income.

The balance at 31 March 2022 of £4.0m represents 18 months of Care, Fundraising and Management costs.

Fund transfers are either for capital purchases made during the year where the restriction has been fulfilled or they were transfers to accurately reflect the closing designated fund balances.

19. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £
Tangible fixed assets	5,365,223	6,628,453	11,993,676
Fixed asset investments	14,605,933	10,000	14,615,933
Current assets	4,554,403	176,804	4,731,207
Creditors due within one year	(689,588)	-	(689,588)
Total	23,835,971	6,815,257	30,651,228



Notes to the Financial Statements Cont.

Analysis of net assets between funds - prior year

	<i>Unrestricted funds 2021 £</i>	<i>Restricted funds 2021 £</i>	<i>Total funds 2021 £</i>
Tangible fixed assets	4,718,386	6,816,547	11,534,933
Fixed asset investments	12,589,635	10,000	12,599,635
Current assets	5,334,587	168,044	5,502,631
Creditors due within one year	(902,873)	-	(902,873)
Total	21,739,735	6,994,591	28,734,326

20. Reconciliation of net movement in funds to net cash flow from operating activities

	Group 2022 £	Group 2021 £
Net income for the year (as per Statement of Financial Activities)	1,916,902	2,745,218
Adjustments for:		
Depreciation charges	413,749	455,377
Investment management charges	120,082	99,284
(Gains)/losses on investments	(1,133,549)	(2,233,082)
Dividends and interests from investments	(187,486)	(147,280)
Increase/(decrease) in stocks	712	(12,587)
Decrease in debtors	942,045	749,890
Increase/(decrease) in creditors	(213,285)	26,739
Capital Goods Scheme adjustment	46,693	148,898
Net cash provided by operating activities	1,905,863	1,832,457

21. Analysis of cash and cash equivalents

Analysis of cash and cash equivalents

	Group 2022 £	Group 2021 £
Cash in hand	3,060,523	2,889,190
Total cash and cash equivalents	3,060,523	2,889,190



22. Analysis of changes in net debt

	At 1 April 2021	Cash flows	At 31 March 2022
	£	£	£
Cash at bank and in hand	2,889,190	171,333	3,060,523

23. Contingent assets - legacies

At the year end the Charity had a legacy pipeline with a potential value of £348,727 (2021: £816,857).

24. Contingent liabilities

In the year ended 31 March 2010, Hampshire PCT awarded a capital grant of £1,500,000 towards the construction cost of Jacksplace. The Grant Agreement and underlying Charge operate for an unlimited duration; therefore the potential to repay the Grant will remain indefinitely. The Grant can be required to be repaid mandatorily in a number of circumstances such as the Trust ceasing to be a charity or Jacksplace ceasing to be used for the provision of hospice services.

25. Pension commitments

The Group operates a defined contribution pension scheme for certain qualifying employees and contributes up to 8% of basic salary matching employee contributions. The total pension contributions payable in the year were £122,924 (2021: £126,617). There were £18,597 outstanding contributions at the year-end (2021: £18,950).

Past and present employees are covered by the provisions of the two NHS Pension Schemes. Details of the benefits payable and rules of the Schemes can be found on the NHS Pensions website at www.nhsbsa.nhs.uk/pensions. Both are unfunded defined benefit schemes that cover NHS employers, GP practices and other bodies, allowed under the direction of the Secretary of State for Health and Social Care in England and Wales. They are not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, each scheme is accounted for as if it were a defined contribution scheme: the cost to the NHS body of participating in each scheme is taken as equal to the contributions payable to that scheme for the accounting period.

In order that the defined benefit obligations recognised in the financial statements do not differ materially from those that would be determined at the reporting date by a formal actuarial valuation, the FReM requires that "the period between formal valuations shall be four years, with approximate assessments in intervening years". An outline of these follows:

a) Accounting valuation

A valuation of scheme liability is carried out annually by the scheme actuary (currently the Government Actuary's Department) as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period, and is accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as at 31 March 2022, is based on valuation data as 31 March 2021, updated to 31 March 2022 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used.



Notes to the Financial Statements Cont.

The latest assessment of the liabilities of the scheme is contained in the report of the scheme actuary, which forms part of the annual NHS Pension Scheme Accounts. These accounts can be viewed on the NHS Pensions website and are published annually. Copies can also be obtained from The Stationery Office.

b) Full actuarial (funding) valuation

The purpose of this valuation is to assess the level of liability in respect of the benefits due under the schemes (taking into account recent demographic experience), and to recommend contribution rates payable by employees and employers.

The latest actuarial valuation undertaken for the NHS Pension Scheme was completed as at 31 March 2016. The results of this valuation set the employer contribution rate payable from April 2019 to 20.6% of pensionable pay.

The 2016 funding valuation also tested the cost of the Scheme relative to the employer cost cap that was set following the 2012 valuation. There was initially a pause to the cost control element of the 2016 valuations, due to the uncertainty around member benefits caused by the discrimination ruling relating to the McCloud case.

HMT published valuation directions dated 7 October 2021 (see Amending Directions 2021) that set out the technical detail of how the costs of remedy are included in the 2016 valuation process. Following these directions, the scheme actuary has completed the cost control element of the 2016 valuation for the NHS Pension Scheme, which concludes no changes to benefits or member contributions are required. The 2016 valuation reports can be found on the NHS Pensions website at <https://www.nhsbsa.nhs.uk/nhspension-scheme-accounts-and-valuation-reports>.

The total pension contributions payable in the year were £143,013 (2021: £129,279). There were £22,645 outstanding contributions at the year-end (2021: £19,632).

26. Operating lease commitments

At 31 March 2022 the Group and the Company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Not later than 1 year	388,738	350,035	388,738	350,035
Later than 1 year and not later than 5 years	524,859	657,220	524,859	657,220
Later than 5 years	140,062	-	140,062	-
	1,053,659	1,007,255	1,053,659	1,007,255

27. Related party transactions

The intercompany balance at the year end was £5,956 owed by Naomi House Children's House Hospice Limited (2021: £553 owed to Naomi House Children's Hospice Limited). Amounts of £4,062 (2021: £2,743) were recharged to the subsidiary during the year.