CHILDREN'S HOSPICE SOUTH WEST

England & Wales · Charity number 1003314

Details

Other names	CHARLTON FARM, LITTLE BRIDGE HOUSE, LITTLE HARBOUR
Status	Registered
Legal form	Charitable company
Company number	02620879
Registered	1991-06-28
Register	View on the Charity Commission register

Contact

Address	Little Bridge House Redlands Road Fremington Barnstaple Devon EX31 2PZ
Phone	01271325270
Email	enquiries@chsw.org.uk
Website	www.chsw.org.uk

Activities

Objects: The Charity's objects (the “Objects”) are the relief of babies, children and young people, particularly those who are resident in the Counties of South West England and neighbouring areas, and who are in need by reason of suffering from life-limiting and/or life threatening conditions, through the provision of specialist palliative and other care, and to provide support for the families of such babies, children and young people.

Activities: Provision of hospice care for life-limited children and their families

Classification

- **How:** Provides Services, Provides Advocacy/advice/information, Sponsors Or Undertakes Research
- **What:** The Advancement Of Health Or Saving Of Lives
- **Who:** Children/young People

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Geography

- **Area of benefit:** SOUTH WESTERN COUNTIES OF ENGLAND
- Bath And North East Somerset
- Bristol City
- Cornwall
- Devon
- Isles Of Scilly
- North Somerset
- Somerset
- South Gloucestershire
- Wiltshire

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£22,415,151	£21,725,015	£57,367,759	441
2024-03-31	£19,629,557	£19,545,853	£56,754,717	414
2023-03-31	£21,502,780	£16,824,702	£52,675,948	372
2022-03-31	£18,309,096	£14,882,416	£47,879,495	354
2021-03-31	£18,785,933	£15,610,688	£43,995,895	359

Trustees

Name	Role	Appointed
Patricia Morris	Chair	2016-02-23
Alan Broughton		2018-07-13
Andrew Mark Gould		2023-01-26
Caroline Tilley		2024-10-10
David Mark Turner		2014-09-30
Ethna Bashford		2024-10-10
Jessica Steevens		2024-10-10
Roger John Knight		2018-07-13
Samuel Bedford		2024-10-10

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Linked charities

- THE JACK BAYLIS ENDOWMENT FUND (1003314-1)

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CHILDREN'S HOSPICE SOUTH WEST

England & Wales - Charity number 1003314

Accounts

children's hospice SOUTH WEST

Annual Report and Financial Statements

For the year ended 31 March 2025

Making the most of short and precious lives across the South West

www.chsw.org.uk

Registered Charity No. 1003314 Company No. 02620879 (England and Wales)

Welcome to our Annual Report 2024 to 2025

A statement from our Chair of Trustees, Patricia Morris

The year to 31 March 2025 marks a pivotal chapter for Children's Hospice South West (CHSW), and a year of seismic change. Our Co-Founder and retiring Chief Executive of over 30 years, Eddie Farwell MBE, sadly died from Motor Neurone Disease on 27 March 2025 after his health unexpectedly declined during the past year. Eddie's legacy shaped the very foundations of our organisation and will continue to inspire our work for years to come.

Throughout the year, our 3 hospices have continued to provide expert, holistic care, supporting not only babies, children and young people but their parents, carers, and siblings too. From end of life care and bereavement support to hospice and wellbeing stays and days; we strive to meet each family's unique needs with compassion and creativity.

Despite a difficult economic landscape, and the void that Eddie left, CHSW maintained its stability. Strong income generation, careful cost management, and the generosity of our supporters have enabled us to continue investing in our care services, people, and infrastructure. Our leaders and staff stepped up with poise and purpose, steering us through these turbulent waters as we began looking to the future.

In March, we welcomed Phil Morris as our new Chief Executive and we can look ahead with confidence under his leadership, with renewed focus, a deep commitment to our mission, and ambition for the future. As we emerge from a period of change and enter the next chapter in the CHSW story, I am confident it will be one which continues to focus on compassion, innovation and a commitment to delivering outstanding care.

I remain truly grateful for the families who place their trust in us, the generosity of our supporters, and the dedication of our staff and volunteers. Together, we will ensure that CHSW continues to be a place of comfort and support for babies, children, young people and families who need us, now and into the future.

Patricia Morris
Chair of Trustees

A statement from our Chief Executive, Phil Morris

I started in my role on 17 March 2025 and was immediately struck by the extraordinary care, compassion, excellence, and resilience within our hospices. The support we provide to babies, children, young people and families is only made possible by our dedicated teams across care, fundraising, retail and shared services, as well as the incredible generosity of our supporters and volunteers.

Before he died, Eddie shared invaluable insights with me about our charity's history, our people, and the origins of CHSW. Born from the remarkable kindness of our communities, our charity has always been about making the most of short and precious lives.

As we look forward, we will reflect on the best of what is currently happening and explore the possibilities for our future. We are committed to evolving our care and strengthening our impact while staying rooted in our values and in the heart of our communities. We are deeply mindful of the trust placed in us, and these annual accounts reflect our ongoing commitment to transparency and careful stewardship of every pound raised.

We are more reliant than ever on our supporters to help assure our freedom of operation so we can meet the needs of the babies, children, young people and families we support, when, how and where they need us. Despite our essential role in the healthcare system, national funding for children's palliative care remains limited, fragmented and insufficient to meet growing demand. We will continue to advocate for fairer, more sustainable funding while working hard to diversify our income and safeguard our services for generations to come.

Behind every figure in these accounts is a baby, child, young person, family or colleague with a story that reflects our purpose. None of this would be possible without the extraordinary gifts of money, items, time and expertise of our supporters and volunteers.

On behalf of us all at CHSW, we thank you.

Phil Morris
Chief Executive

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Trustees' report (including the strategic report) for the year ended 31 March 2025

Our objectives and activities

Our purpose, vision and ethos

Our purpose is to make the most of short and precious lives and to put babies, children, young people and their families at the centre of all we do.

Our vision is to provide high quality care to every baby, child and young person in the South West who may not live to their 18th birthday.

Our ethos is to ensure that everyone (Trustees, staff and volunteers) places babies, children, young people and their families at the centre of the organisation.

To achieve this, everyone will be expected to promote a strong, caring, community environment, characterised by a culture of sensitivity, trust, consideration and respect for others.

Organisational principles

Our ethos gives rise to a set of principles which determine how CHSW as an organisation operates on a day to day basis. We will:

- Be an organisation which places babies, children, young people and their families at the heart of all that we do
- Continually engage with and listen to our children, young people and families, employees, volunteers and supporters
- Ensure that diversity, integrity, quality and respect are an integral part of all that we do
- Ensure that all staff, volunteers and supporters are valued and appreciated
- Ensure that everyone has the tools to do their job and is provided with appropriate opportunities to develop and gain new skills
- Be ethical, open, honest and compliant in all that we do
- Be one organisation with common goals while tailoring services to individual families, and according to individual need
- Work collaboratively with our colleagues and external partners
- Spend the money we raise wisely with our focus being on the care we provide
- Be safe, efficient and environmentally aware.

Our core values and behaviours

Everyone working for, or on behalf of CHSW will act to or with:

Care and respect for each other:

- Recognising and accepting our responsibility for safeguarding babies, children, young people and adults, protecting them from harm
- Acting fairly and with consideration, treating others as we would wish to be treated ourselves
- Finding out what other colleagues do, encouraging them and recognising the value that each brings to the organisation
- Embracing and recognising the importance of difference and diversity.

Honesty, openness and accountability:

- Behaving with openness, integrity and honesty
- Communicating swiftly and openly and listening to the views of others respectfully
- Taking responsibility for your own actions and being accountable for them
- Sorting out mistakes and concerns swiftly and without fuss.

Strive for excellence:

- Seeking to continuously develop and improve for your own benefit and the charity
- Always protecting the reputation of the charity
- Celebrating success.

Work together:

- Ensuring dynamic and harmonious team working to achieve success
- Working with and involving our families, supporters and volunteers, understanding who they are and what their needs might be
- Making the best use of organisational resources; having regard for sustainability, efficiency and respect for the environment.

Our strategy

In July 2024 a review and revision of our strategic objectives was undertaken by the Board of Trustees, recognising the transitional period the charity was entering with the retirement of Eddie Farwell, our Co-Founder and Chief Executive, and the recruitment and introduction of his replacement.

The Board of Trustees identified several key strategic priorities extending from 2024 to 2026 with an intended review early in 2026.

These key priorities include:

- To embed, define and communicate our current and developing care offer to all staff, current (and potential) families and referring professionals
- Define, measure and evaluate the effective use of our hospice sites and people resources to enable us to develop further plans to continue to give responsive, effective, safe and high-quality care to babies, children, young people and their families
- To produce a revised and responsive income generation strategy which maximises new opportunities and maintains and grows commitment to our communities
- Make the best use of digital and integrated data capture processes to robustly and accurately report the impact of our work to all internal and external stakeholders, while informing plans for the future
- Understand and quantify the extent of the 'unmet need' across the South West by undertaking authentic and wide-reaching consultation with families, healthcare professionals and providers
- To have a key voice as one of the UK's leading providers of palliative care for babies, children and young people, by actively engaging in, driving and participating in research, sector-wide review and the shaping of future provision.

Public benefit

The Board of Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives. The benefits are clearly set out in the achievement section on page 7. The Board of Trustees review the activities of the charity against its aims and objectives on an ongoing basis and are satisfied that all activities continue to be related to its purpose. The beneficiaries are babies, children and young people living with life-limiting and life-threatening conditions, and their families. A referral process is in place, with clear guidance on criteria, to ensure that those who meet the criteria are offered support by the charity. Our public services are supplied free of charge.

Our achievements in 2024 to 2025

2024 to 2025 objectives	What we achieved
1 Define and publish our care offer to all stakeholders.	The current care offer was defined, communicated to families and shared with stakeholders. An annual review of caseloads at each hospice was completed.
2 Review and improve the way we capture care activity and report progress against newly defined Key Performance Indicators (KPIs).	We have held initial meetings and reviewed our data-capture processes. We have reviewed our Quality Governance reporting. This work will continue as part of the organisational Management Information System Project and Appreciative Inquiry.
3 To research and test new opportunities for income generation which will feed into a new income generation strategy.	We have developed a range of digital fundraising offerings, invested in our ongoing presence across communities and grown our event portfolio across the region. In retail, a review of existing shop offerings and opportunities was undertaken by an external consultancy firm.
4 Set up a Management Information System Project to define business reporting needs and begin to develop a centralised, real-time information hub.	Phase 1 of the project has been completed with the development of a proof-of-concept dashboard for financial KPIs and a strategic and operation dashboard for our retail operations. Upskilling internal staff with Power BI data analyst training has been a key part of the objective to ensure organisational self-sufficiency in future developments. Targeted workshops with 12 key business areas have helped shape a strategy for Phase 2 which will form part of our ongoing organisational objectives.
5 To extend the end of life care at home pilot project in the Bristol area for a further year to allow time for meaningful evaluation. Alongside this, we will conduct a feasibility project to investigate how end of life care in the home could be delivered across the region.	We have successfully extended the end of life care at home pilot in the Bristol area for an additional year, enabling a thorough evaluation of its impact and outcomes. Alongside this, we have launched an independent and comprehensive feasibility study to review the service provided and to assess the potential for delivering end of life care at home, across the wider region more broadly.
6 Develop a framework and strategy to inform our research ambitions.	Job description for a Research Secondment has been completed. Development of the research strategy and framework continues.

Our key objectives for 2025 to 2026

With a start of the year that centred around the arrival of our new Chief Executive, Phil Morris, succeeding the late Eddie Farwell MBE, we have planned to achieve the following key objectives:

1. Steward the organisation through change in leadership and undertake a Governance Review
2. Undertake an Appreciative Inquiry to encourage and hear the views of our stakeholders to inform the strategic direction of CHSW
3. Develop a new organisational strategy from emergent themes from the Appreciative Inquiry
4. Develop and progress innovative ways to capture and use data ('intelligence') to inform decisions and actions
5. Research and explore opportunities for income generation to deliver our new strategy
6. Revisit our purpose, vision, mission and values to assure they reflect the future of CHSW.

CHSW hospice activity levels from April 2024 to March 2025

CHSW cares for babies, children and young people of all ages, from neonates to teenagers, and can continue to care for some young adults who are in the end stages of their life. Below details the care and support activity in the hospices from 1 April 2024 to 31 March 2025.

8,615
total hospice bed nights and visits

5,283 family member bed nights + **2,604** babies, children or young people bed nights + **623** day visits + **105** Starborn nights*

*Starborn is the name given to the temperature controlled room in CHSW hospices where babies, children or young people stay after they have died.

3,279 parent or carer bed nights + **2,004** sibling bed nights

2,388 hospice stay bed nights + **216** emergency bed nights

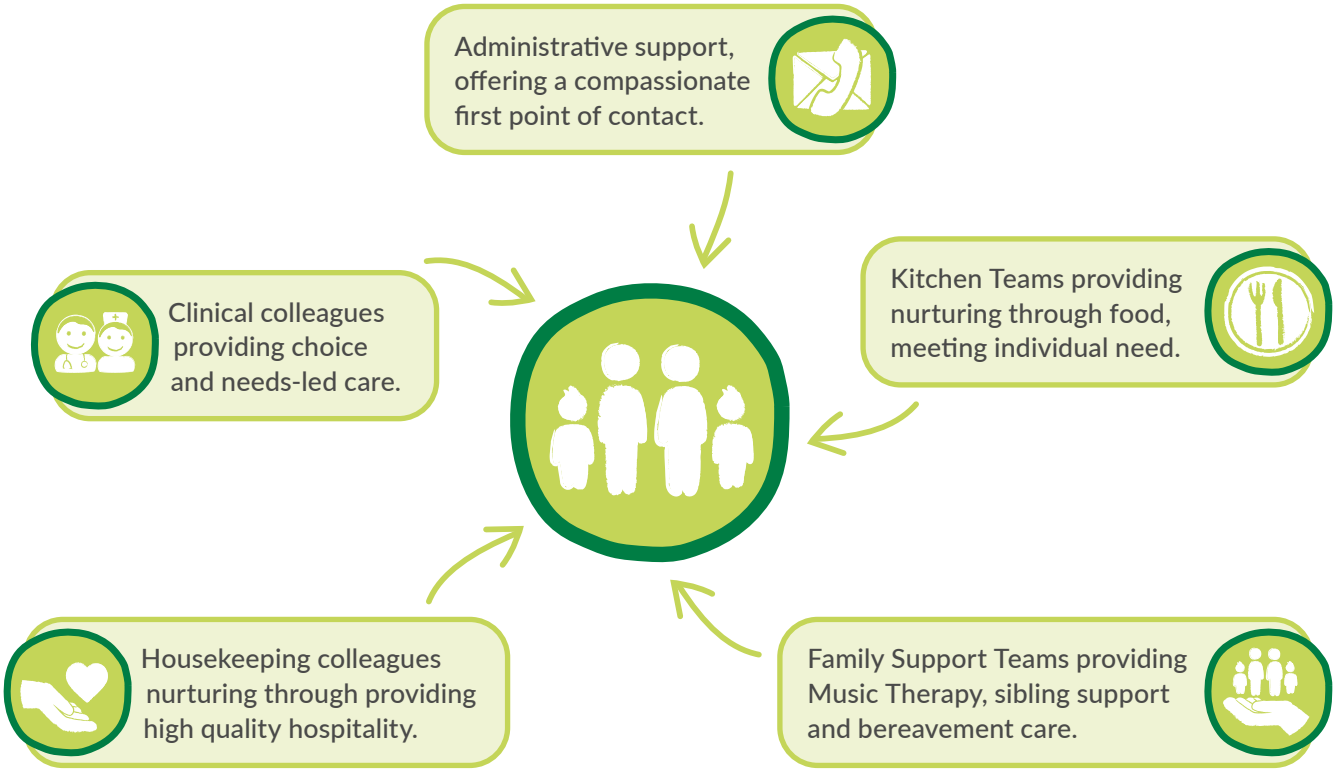
How our 3 hospices support the whole family

Introduction to family support, holistic care and wellbeing support

During the past year we have embedded our Team Leaders for Family Support at each hospice, bringing their roles alive through engagement with families on their journey with CHSW. They have been integral to the further development of transition to adult care across the 3 hospices, family engagement sessions in relation to bereavement support needs, early help in relation to our family support meetings at each hospice, and providing ongoing support and leadership to our Sibling Support Teams. They work as a team, compiling regional and local signposting resources for families, and work alongside the Care Teams in identifying and meeting family support need.

We recognise the value of delivering care that is bespoke to the needs of the baby, child, young person and their family, taking time to understand what is important to them.

A trauma-informed approach ensures that all who receive our care feel safe, listened to and valued.



Voice of the child and family

Our staff use augmented communication, including gesture, signing, facial expression, symbols, pictures, communication boards and technology, finding creative ways of reaching children and young people who communicate with and without words. We ask and listen, facilitating enhanced experience towards the end of life, whether that is enabling families to enjoy a picnic, welcoming visits from animal friends, memory-making or providing valuable quality time together as a family.

Seeking opinions from families, engaging them in the co-design of future development and collaborating in joint ventures, is key to ensuring we strive for a hospice provision that is consistent with the needs and values of the families we support:

- Bereavement support development groups
- Feedback following each hospice stay
- Family involvement in staff interviews (Head of Care, Psychologists, Chief Executive)
- Co-facilitation of support groups.

The difference CHSW makes

Permission has been sought and obtained from the families to tell their story.

Under 5s Stays and Days at Little Bridge House

During the past year or so, Little Bridge House has had a number of children referred who are under 5 years old. We held an Under 5s Day and an Under 5s Stay which was a huge success. The parents of those who visited fed back that they really enjoyed their time at Little Bridge House, getting to know other parents with children of a similar age. Some parents commented that due to their child having more complex needs, what seems like a small thing, like attending baby groups or playgroups, can be quite daunting and challenging. We wanted to offer our families a space to come together, to bond and create special memories with their children.

We also had 'Jiggy Wrigglers' join us for the day. They are a national company, with a branch based in North Devon, which provides a variety of fun classes specifically for babies, toddlers and preschoolers. The company offers upbeat, funky music and movement groups. The day consisted of plenty of songs, dancing, unique sensory props/fabrics and tactile material puppets. Our Music Therapist was also available for solo and group music sessions. The day included plenty of time for mingling, social time for parental and sibling support and ended with a bubble machine frenzy!

The feedback from parents and staff was extremely positive and we are very much looking forward to continuing to run these days throughout the year.

We received the following feedback from a parent who attended both the Under 5s Stay and the Under 5s Day, which we will use to continue to make improvements to the future delivery of these events.

"Our stay at Little Bridge House's Under 5s for babies and families was amazing. We had a great time. It was extra special that it was the week before Christmas, and we got to enjoy an early Christmas Day with a lovely Christmas lunch included and a visit from Father Christmas! We got to meet families with similar aged children to ours and as a group we all got along really well. From the minute we arrived, baby May's brother and sister were off with the Sibling Support Team making new lifelong friends. Baby May was scooped up by the lovely nurses and we enjoyed a hot cup of tea and biscuits! I feel that having other families with the same aged children really helped us open up about our journeys that we had all experienced with our poorly children. The activities were great. Baby May loves the pool and the sensory room. It was a great stay and we wouldn't have changed anything about it... maybe only 1 thing, that we could have stayed another week! Ha! We had such a great time we didn't want to leave! Thank you Little Bridge House!"

Ophelia and her family's Christmas visit to Little Harbour

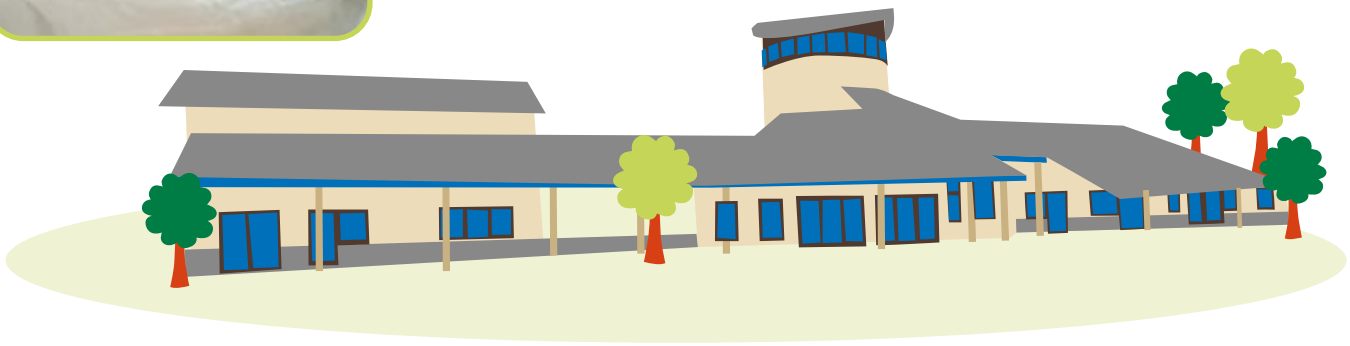
Ophelia has been coming to Little Harbour since she was referred as a baby in 2022, with her mum Danielle, therapy dog Jeremy, as well as Ophelia's grandma and family friend/carer.

Ophelia is now 2 years old and has a rare genetic disorder causing her to have multiple vulnerabilities. Ophelia and her family were booked in for a stay at Little Harbour during Christmas 2023, but unfortunately she was unwell and unable to come for her stay. So, in 2024 it was important to Ophelia's family that they were able to have Christmas at Little Harbour. In the lead up to Christmas, Ophelia had been in and out of hospital, but everyone remained positive that she would be well enough for her Christmas 2024 stay at Little Harbour, and she was!

Christmas at Little Harbour was a particularly busy one. On Christmas Eve the Care Team and families performed a variation of the nativity. Casting began, and of course, Ophelia had the starring role of baby Jesus. All the children and family members staying were given roles in the nativity, including Jeremy the dog who played the role of the donkey. It was also an opportunity for families to come together and share some special memories that they will look back on fondly (or with humour due to the lack of musical and acting talent from the Care Team).

The festivities continued, with all the families staying watching a festive film together on Christmas Eve, as well as carols around the Christmas tree and a Little Harbour Christmas dinner.

Ophelia's family were able to relax knowing that Ophelia's medical needs were taken care of by the Care Team, something that families find so valuable about their stays at our hospices.



Making friends at Charlton Farm

On the first weekend of February, we held our Teenage Girls Weekend. This gives the opportunity for our teenagers to come for an independent stay alongside their peers, having the chance to enjoy a fun-packed itinerary (karaoke, a Lush pamper party and bowling). During this weekend Noon and Mariam struck up a friendship, enabled by having protected time to enjoy being teenagers, sharing their thoughts, feelings, likes and dislikes, chatting the whole weekend through.

This then led on to them having another stay together, which strengthened the bond that they had already formed, along with plenty of singing and laughing during a karaoke party. This party included a red carpet to roll in on, a photo shoot and disco, having their hair and make-up done and of course karaoke, where Mariam's sisters and sister-in-law sang some Indian songs, as well as some chart music and much requested K-Pop! This was all followed by a party tea with a wonderful spread of Halal party food made by the Kitchen Team.

This is where our hospices are so unique, the care provided enables the focus to not only be on medical needs, but also the essential social needs that allow our young people to experience what most teenagers take for granted.

Noon's words:

"I met Mariam at the Charlton Farm Teenage Girls Weekend, and I liked that she was fun, smiley and lovely. We both loved the Lush party and we laughed lots together. At the end of the weekend, we were proper friends and it was sad to say goodbye. At Mariam's last stay at Charlton Farm, it was very special to be there with her and have such a good time playing games and laughing. We are going to stay friends now and I want to say to Mariam, thank you for being my friend."

Mariam said she was so happy to have a new friend!

Income generation

Generosity is the beating heart of CHSW

We want to say thank you to every single individual, organisation, business, family and partner who has enabled care and support for babies, children, young people and families when they needed it most this year.

Whether you've donated time, money or pre-loved goodies, taken part in an event, challenged yourself in a new way to raise funds or simply shared the CHSW story with friends, colleagues or across your community, you have helped to raise an incredible **£18.3 million**.

Here are some of the highlights:

£2.4 million raised from fundraising across the community, generous business partnerships and people taking on their own challenges to support CHSW.

£5.3 million received from people who chose to remember CHSW with a gift in their Will.

£830,000 received from Charitable Trusts and Foundations.

More than **£2 million** donated by individuals across the South West, every donation, large and small amounted to this incredible figure!

Almost **25,000** weekly plays in our Raise a smile Lottery raised just less than **£1.2 million**.

£5.8 million raised in our 39 charity shops, that's some seriously feel-good shopping!

Thank you to our wonderful volunteers!

We simply couldn't do all that we do without our fabulous volunteers! This year hundreds of you have been part of the action in our shops, at our events, sharing about CHSW in your community, supporting bucket collections, gardening and much more!

Our Young Ambassadors initiative has worked with more than 200 college students across Devon and Somerset and they have raised thousands of pounds through volunteering and staging events in the community – learning from a young age, the importance of supporting local charities.

Dave is a regular volunteer at Charlton Farm, and when he visits Cornwall on holiday his volunteering doesn't stop – he visits Little Harbour to tend to the gardens there too! Thank you Dave!

Our financial performance

The consolidated financial statement comprises the results of the charity together with those of C H S W Promotions Limited, a wholly owned subsidiary, which donates its profits to the charity. The consolidated statement of financial activities is set out on page 23.

Donations and legacies amounted to **£11,365,393** (2024: £9,345,067), income raised from charitable activities (statutory income sources) amounted to **£2,897,581** (2024: £2,701,253), trading activities (including retail and Raise a smile Lottery) generated income of **£6,965,976** (2024: £6,594,414), investment income was **£1,169,403** (2024: £975,118) and other income **£16,798** (2024: £13,705).

Total income for the year was **£22,415,151** (2024: £19,629,557).

Total expenditure for the year amounted to **£21,725,015** (2024: £19,545,853). This resulted in an operational surplus of **£690,136** (2024: £83,704). Total net losses on investments, property and land were **£77,094** (2024: net gains £4,417,038) and therefore net income for the year was **£613,042** (2024: £4,500,742).

Consolidated in the above figures C H S W Promotions Limited, a trading subsidiary, has a turnover which amounted to **£374,774** (2024: £357,305) and a profit after taxation of **£35,589** (2024: £4,331). The company will donate this amount to the charity.

During 2024 to 2025, we were very grateful to receive a continued high level of legacy donations which increased by £740,112 compared to the previous year. Our legacy income in 2024 to 2025 amounted to **£5,277,132** (2024: £4,537,020) which is close to a quarter of all our income.

Despite the continued impact of the UK cost of living crisis and the challenges on household budgets, it was very encouraging to see the growth of voluntary donations to the charity during the year. It should be noted that we did receive an exceptionally large one-off donation of £1,115,949 to help fund our care services. All donations to the charity, no matter their size, are very much appreciated and valued.

Towards the end of the year, the charity claimed £288,729 in the first year of a new 2 year Department of Health and Social Care (DHSC) hospice capital grant scheme administered by Hospice UK on behalf of the Government. The grant is specifically for hospice related capital investment with a focus on enhancing and improving the care experience of babies, children, young people and families. The grant will also be available in the 2025 to 2026 financial year and will be claimed by the charity as part of an ongoing capital fixed asset investment and improvement program next year.

Our shops have continued to trade very strongly as they benefit from fantastic community support, together with the increasing public interest in making recycled and sustainable purchases. Total shop income (including related Gift Aid receipts) achieved its highest levels ever at nearly **£5,793,929** as compared to £5,561,607 in 2024 to 2025.

During the year we have continued our investment in our lottery canvassing activity and are pleased that our Raise a smile Lottery income reached a new high in 2025 of **£1,172,047** (2024: £1,032,807).

The market value of our investments held by the charity during the financial period fell by £77,094 during the year reflecting the relative 'flatness' of equities and bonds during 2024 to 2025. In comparing our net losses or gains in investments with the previous financial year, it should be remembered that the charity benefited from a one-off £2.3 million gain associated with the disposal of previously donated land at Yatton near Bristol in the previous year.

Our expenditure during the year in relation to the care and support we provide, increased by more than 9% on the previous year. This reflects the investment in new professional care roles together with increased activity and support given across our hospices. Costs for the charity have inevitably increased with global inflationary pressures, cost of living demands and the impact of National Living Wage statutory increases.

During the year, our operating income has exceeded our operating costs in the year by £690,136. However, it should be noted that without the one-off exceptionally large donation received by the charity during the year, the charity would have made a material operating deficit. This position aligns with the trend currently experienced by many organisations in the hospice sector, where increased costs driven by inflationary pressures and the limitation of statutory support has meant operating deficits are a challenging reality when we look to the future.

Our financial performance (continued)

Where we received our income

Trading - lottery and shops
£7 million - 30%

Legacies
£5.3 million - 24%

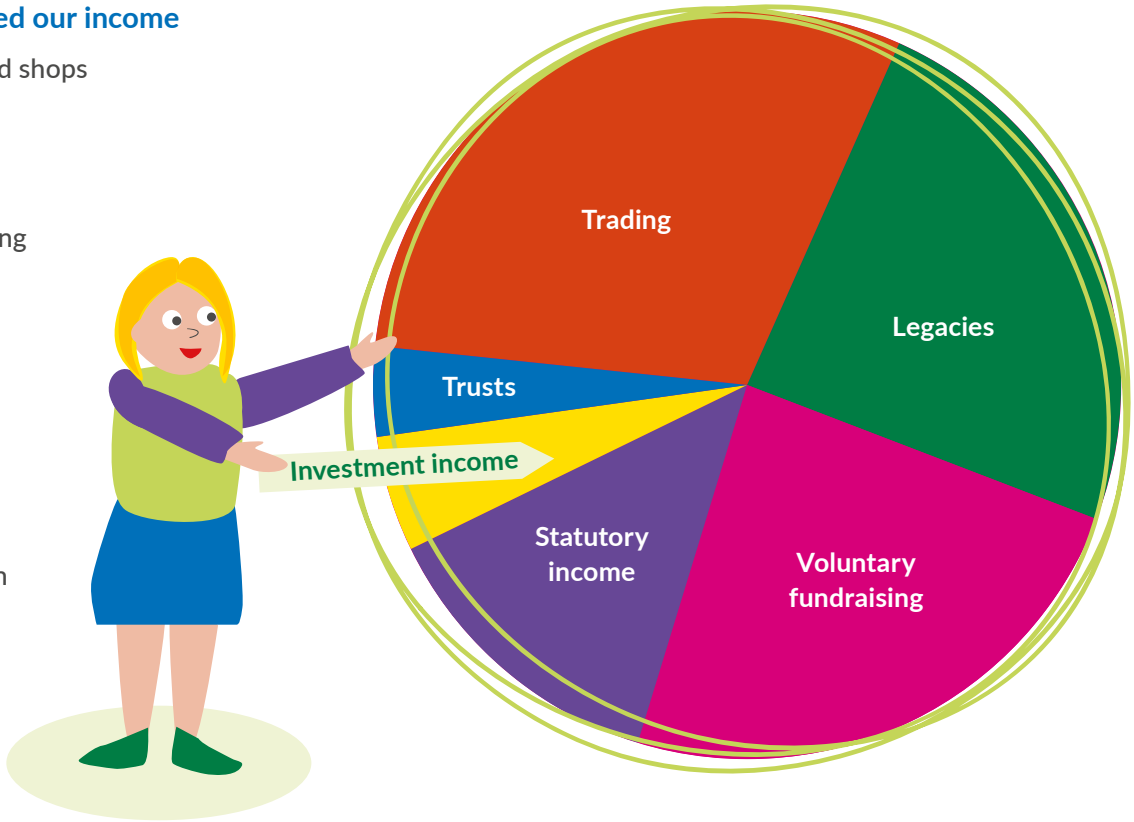
Voluntary fundraising
£5.3 million - 24%

Statutory income
£2.9 million - 13%

Investment income
£1.1 million - 5%

Trusts
£0.8 million - 4%

Total - £22.4 million



Where we spent our income

Trading activities
£5.8 million - 27%

Charlton Farm
£5 million - 23%

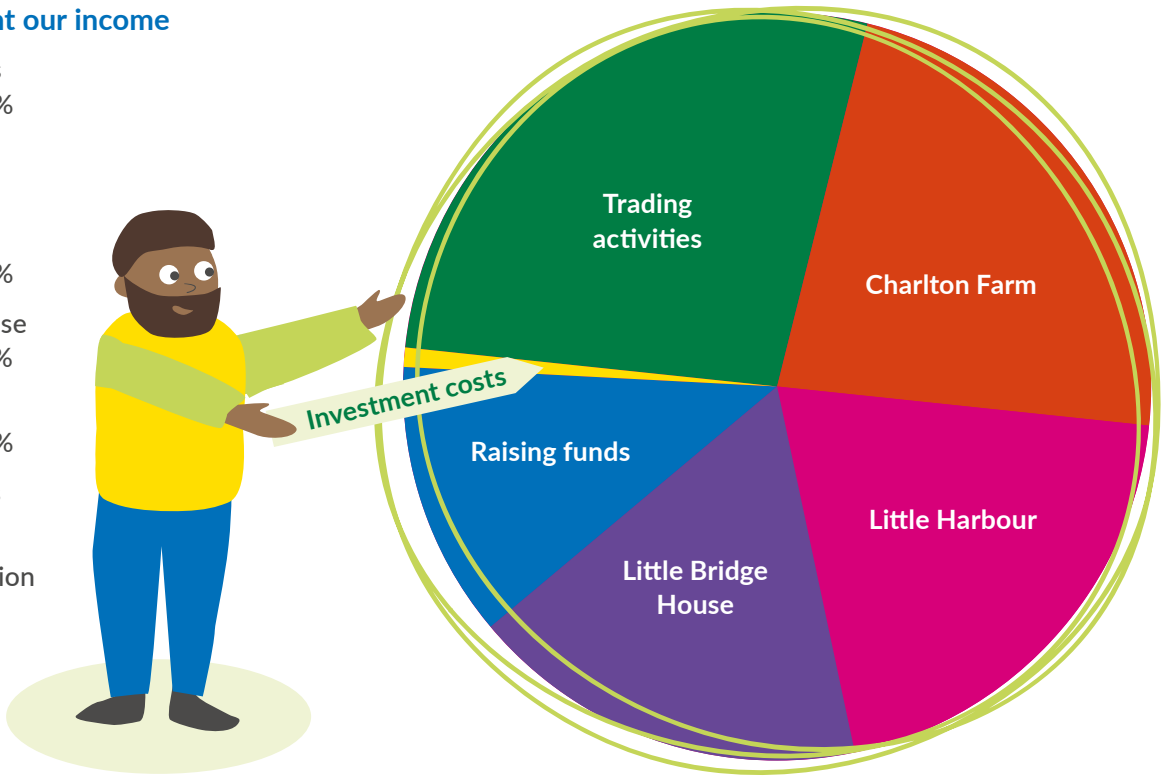
Little Harbour
£4.3 million - 20%

Little Bridge House
£3.8 million - 17%

Raising funds
£2.7 million - 12%

Investment costs
£0.1 million - 1%

Total - £21.7 million



Our financial reserves

We recognise that our commitment and moral obligation to the babies, children, young people and families who currently use our hospices, will extend many years into the future. It is therefore imperative for us to maintain unrestricted general reserves at a level that will ensure the continuity of the unique care provided by the charity, while recognising that the charity is facing a period of significant economic uncertainty.

In establishing the CHSW reserves policy, we have taken guidance from the Charity Commission's guidance CC19, to use an integrated approach for an organisation with complex activities and structures. This involves projecting cash flows during the next 3 years and identifying key risks associated in this period, with income and expenditure, while also considering already committed expenditure. From this work, looking forward to 2025 to 2026, it has been determined that CHSW should maintain a target range of unrestricted general reserves between **£20,076,369** and **£22,972,804**.

The charity's unrestricted general funds (free reserves) were at a level of **£18,302,836** as of 31 March 2025 (2024: £17,409,373). We note that the group's unrestricted general funds are just outside the target range set above and this will be closely monitored during the next financial year.

Unrestricted designated capital funds are **£19,585,903** (2024: £19,609,177) and represent the net book value of the unrestricted tangible and intangible fixed assets of the group.

On 14 July 2022, the CHSW Care Endowment Fund (CCEF) was formally and legally set up to provide an additional income stream from long-term investments to support future care developments and reduce future dependence on fundraising and trading activity. The need for this fund had been highlighted during the COVID-19 crisis where voluntary and trading incomes were vulnerable. The CCEF is expendable and will be used to finance operational and developmental opportunities in care if unrestricted general reserves fall below their required lower target level. On 31 March 2025, the CCEF amounted to £13,585,374. £2,514,883 was designated to the CCEF during the 2024 to 2025 year.

Our investment approach

Our investment policy requires us to invest funds in such a manner that the risk profile reflects planned expenditure and future plans.

In 2019, we secured the services of an external independent investment advisor to undertake an investment risk profile review and to provide an ongoing expert assessment of the performance of our appointed investment managers. At the beginning of the 2020 to 2021 financial year, as part of good governance, a formal retendering process in relation to investment management services was undertaken, which included a review of investment performance and charges. As a result of this work, LGT Wealth Management and Sarasins & Partners LLP were appointed as CHSW investment managers. As part of this restructuring of investment managers, our investments were rebalanced and divided into a lower and higher equity exposure fund allocation. The minimum performance requirements of these invested funds have been set as Consumer Price Index (CPI) +3% for the lower equity exposed fund and CPI +4% for the higher equity exposed fund. We review the long-term performance of investments in line with this policy to ensure targets are met.

How we manage risks and uncertainties

CHSW has a clear Risk Management Framework in place, overseen by the Trustee Governance Assurance Committee, as delegated by the Board of Trustees. CHSW undertake a continual assessment of the principal risks facing the charity and we are satisfied that adequate preventative and mitigating measures are in place to reduce the risks to an acceptable level.

All risks identified are recorded on the CHSW Strategic Risk Register and scored based on impact and likelihood in line with the Charity Commission's guidance CC26; based on the scores, the risks are prioritised using a Red, Amber or Green rating.

The CHSW agreed process for reviewing risk, is as follows:

- The Senior Management Team (SMT) will meet weekly to monitor and review current risks; and share, record and escalate any new or emerging risks as appropriate
- SMT will meet with the Risk Management Committee every quarter where the risk register is reviewed and updated. Identified risks may be added to the register at any time
- Each item on the risk register is owned and overseen by the relevant Assurance Committee as a standing item at each of their meetings (currently 3 times per year)
- The Governance Assurance Committee will take assurance from the Chairs of each Committee that their relevant risks have been reviewed and mitigated to satisfactory levels
- Where assurance cannot be given, further review/ oversight or Internal Audit may be recommended or pursued
- The Governance Assurance Committee will report to the Board of Trustees annually.

We are currently being supported by an external partner to review and improve our risk management processes.

Current red risks

Operational costs exceeding income leading to reduced care services: The national hospice sector is suffering from an acute funding crisis against a backdrop of a cost of living emergency, inflationary pressures and Government initiatives around the employment of staff. As a result, we have identified a risk that future income levels are not enough to fund its hospice services in the medium to long-term (3 plus years).

To address the funding risk on a longer-term basis, the following plans are in development:

- The implementation of new income generation strategies required to grow income, to keep pace with increasing costs
- A cross organisational Appreciative Inquiry to help ensure we are maximising our use of resources
- A new organisational strategy to identify how we can grow our care services aligned to the needs of babies, children, young people and their families.

We are reassured that in the short term, unrestricted general reserves are sufficient to be able to fund operating deficits and to maintain current care levels.

Investment market volatility: During the last 5 years, as a consequence of various geopolitical crises, worldwide market investments have seen significant volatility. We have identified the impact of this risk on the investments it holds in its endowment funds and unrestricted general funds. The experience to date is that markets in the medium to long-term do recover following any rapid fall, however the risk is significant to the charity if a market collapse were to happen when needing to draw down on investments held.

We are reassured that it uses an external independent investment manager and the services of 2 investment managers to manage and advise, as far as possible, the risk associated with holding worldwide investment products.

However, to reduce our exposure to this risk further, the following plans are also in development:

- A revision to the CHSW Investment Policy with consideration given to capping the levels of investments held in market exposed funds and 'alternatives'
- Identification of lower risk investment products available to the charity that can match or exceed CPI erosion but without the exposure to market volatility
- Following our last review in 2019, to undertake a formal assessment of our investment risk appetite.

Current red risks (continued)

Safeguarding: Safeguarding babies, children, young people and vulnerable adults remains a top priority at CHSW. During the past year we have rewritten the policy and developed clearer procedures with a flowchart and easily accessible links to local Safeguarding Teams, along with a new family charter detailing our safeguarding responsibilities. In providing assurance around our approaches to the prevention of, protection from and reporting of harm, we:

- Produce quarterly safeguarding reports for the Board of Trustees and Integrated Care Boards (ICBs), reflecting adherence to nationally recognised ICB standards, as well as an annual audit report
- Recognise and respond to national, local and CHSW incidents with a comprehensive package of learning and bespoke safeguarding practice training for all colleagues in Care
- Maintain high standards of safeguarding training compliance
- Integrate safeguarding into every aspect of care for babies, children and young people referred to CHSW and their families
- Provide care in a trauma-informed way and within a culture of openness, transparency and psychological safety.

Cyber security: During 2024 to 2025 we implemented a security operations centre service provided by market leader Arctic Wolf. This has greatly improved our security posture. We have rolled out the following modules:

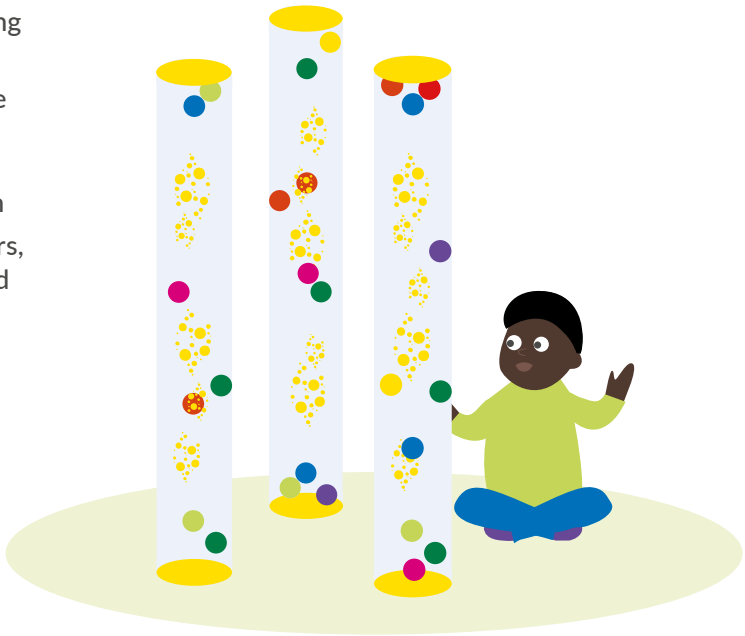
- Managed detection and response - a 24/7 service that scans our devices and networks looking for attacks or malware. The service isolates and remediates affected devices to prevent contagion
- Managed risk - daily scanning of networks, servers, external services (such as website, SalesForce and Cascade) and devices to identify vulnerabilities and recommending prioritised fixes to reduce attack surface
- Jump start - a run book in the event of a major cyber incident with key contacts, service and decision paths.

We are working on rolling out the following during the next year:

- Managed security awareness - a tool that carries out simulated phishing and other tasks to test our colleagues' response to potential attacks and helps with education if this is required
- Desktop exercise of our Jump start run book to see if the plan works during a simulated attack.

As part of the process we have carried out an assessment produced by the Centre for Internet Security (CIS 8) and we have achieved a score of 468 which means the organisation is rated as Viably Protected. We will carry out this assessment regularly as the security and threat landscapes constantly change. In June 2025, we once again met the standards of the NHS Data Security Toolkit.

Recruitment: The recruitment and retention of children's nurses remains an ongoing and challenging red risk for CHSW despite seeing significant improvements in the last 12 months at Charlton Farm and Little Harbour. The focus this year has been on our 'grow your own' strategy with the appointment of 2 Student Nurse Associates at Little Bridge House.



Included on page 52 to 57 are the charities structure, governance and management, reference and administrative detail and fundraising disclosures which also form part of this report.

Statement of Trustees' responsibilities

The Trustees (who are also Directors of CHSW for the purposes of company law) are responsible for preparing the Trustees' Annual Report (including the Strategic Report) and the financial statements, in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable 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 charity's Statement of Recommended Practice
- Make judgements and estimates that are reasonable and prudent
- State whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions, 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 and the provisions of the charity's constitution. They are also responsible for safeguarding the assets of the charity and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

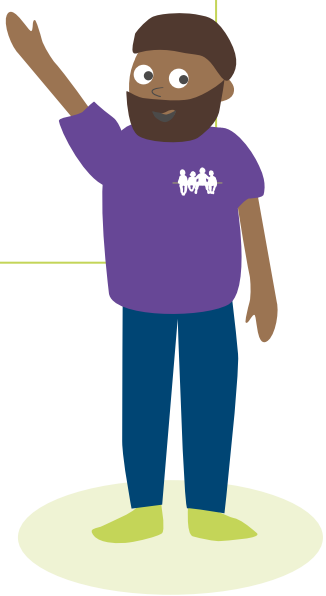
Disclosure of information to Auditors

Insofar as each of the Trustees of the charity at the date of approval of this report is aware, there is no relevant audit information (information needed by the charity's auditor in connection with preparing the audit report) of which the charity's auditor is unaware. Each Trustee has taken all of the steps that he/she should have taken as a Trustee in order to make himself/herself aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

Approval

This report, incorporating the strategic report, was approved by the Board of Trustees on 9 October 2025 and signed on its behalf:

Patricia Morris
Chair of Trustees



Financial statements

Consolidated statement of financial activities

Including income and expenditure account for the year ended 31 March 2025

	Note	Unrestricted funds 2025 £	Restricted funds 2025 £	Endowment funds 2025 £	Total funds 2025 £	Total funds 2024 £
Income from:						
Donations and legacies	1	9,404,703	1,960,690	-	**11,365,393**	9,345,067
Charitable activities	2	59,207	2,838,374	-	**2,897,581**	2,701,253
Trading activities	3	6,965,976	-	-	**6,965,976**	6,594,414
Investments	4	793,489	59,024	316,890	**1,169,403**	975,118
Other income	5	12,048	4,750	-	**16,798**	13,705
Total income		**17,235,423**	**4,862,838**	**316,890**	**22,415,151**	**19,629,557**
Expenditure on:						
Raising funds	6	2,661,157	131	-	**2,661,288**	2,340,530
Trading activities	6	5,785,200	-	-	**5,785,200**	5,077,090
Investment management fees	7	100,634	-	66,489	**167,123**	112,689
Charitable activities	8	5,607,824	7,503,580	-	**13,111,404**	12,015,544
Total expenditure		**14,154,815**	**7,503,711**	**66,489**	**21,725,015**	**19,545,853**
Net income/(expenditure) before net (losses)/gains on investments		**3,080,608**	**(2,640,873)**	**250,401**	**690,136**	**83,704**
Net (loss)/gain on investments	13	(83,982)	-	6,888	**(77,094)**	4,417,038
Net income/(expenditure)		**2,996,626**	**(2,640,873)**	**257,289**	**613,042**	**4,500,742**
Transfers between funds	22	(2,126,437)	(392,823)	2,519,260	**-**	-
Net movement in funds		**870,189**	**(3,033,696)**	**2,776,549**	**613,042**	**4,500,742**
Reconciliation of funds:						
Total funds brought forward as previously stated		37,018,550	4,716,222	15,019,945	**56,754,717**	52,675,948
Prior year adjustment	22	-	-	-	**-**	(421,973)
Total funds brought forward as restated		37,018,550	4,716,222	15,019,945	**56,754,717**	52,253,975
Net movement in funds		870,189	(3,033,696)	2,776,549	**613,042**	4,500,742
Total funds carried forward	**23**	**37,888,739**	**1,682,526**	**17,796,494**	**57,367,759**	**56,754,717**

The Consolidated Statement of Financial Activities includes all gains and losses recognised in the year.
The notes on pages 26 to 44 form part of these financial statements.

Consolidated and charity balance sheet

Company number: 02620879

As at 31 March 2025

	Note	Group 2025 £	Group 2024 £	Charity 2025 £	Charity 2024 £
Fixed assets					
Intangible assets	14	**599,919**	505,796	**599,919**	505,796
Tangible fixed assets	15	**19,365,980**	19,483,384	**19,365,980**	19,483,384
Investments	16	**34,267,703**	30,951,379	**34,267,803**	30,951,479
Total		**54,233,602**	**50,940,559**	**54,233,702**	**50,940,659**
Current assets					
Stocks	17	**45,968**	37,243	**-**	-
Debtors	18	**2,049,234**	2,122,390	**2,083,815**	2,164,802
Cash at bank and in hand		**4,920,489**	6,740,389	**4,887,274**	6,722,422
Total		**7,015,691**	**8,900,022**	**6,971,089**	**8,887,224**
Creditors: amounts falling due within 1 year	19	**(2,300,252)**	(1,504,582)	**(2,291,539)**	(1,496,415)
Net current assets		**4,715,439**	**7,395,440**	**4,679,550**	**7,390,809**
Total assets less current liabilities		**58,949,041**	**58,335,999**	**58,913,252**	**58,331,468**
Provisions for liabilities	21	**(1,581,282)**	(1,581,282)	**(1,581,282)**	(1,581,282)
Total net assets		**57,367,759**	**56,754,717**	**57,331,970**	**56,750,186**
Charity funds					
Endowment funds	22	**17,796,494**	15,019,945	**17,796,494**	15,019,945
Restricted funds	22	**1,682,526**	4,716,222	**1,682,526**	4,716,222
Designated funds	22	**19,585,903**	19,609,177	**19,585,903**	19,609,177
General funds	22	**18,302,836**	17,409,373	**18,267,047**	17,404,842
Total funds		**57,367,759**	**56,754,717**	**57,331,970**	**56,750,186**

The charity's net movement in funds for the year was **£613,042** (2024: £4,518,868).

The Board of Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the Board of Trustees on 9 October 2025 and signed on its behalf:

Patricia Morris
Chair of Trustees

Consolidated cash flow statement

For the year ended 31 March 2025

	Notes	2025 £	2024 £
Cash flows from operating activities			
Net cash provided by/(used in) operating activities	25	**1,409,096**	(592,927)
Cash flows from investing activities			
Dividends, interests and rents from investments		**1,169,403**	975,118
Proceeds from the sale of tangible fixed assets		**2,200**	-
Purchase of intangible assets		**(251,451)**	(486,420)
Purchase of tangible fixed assets		**(755,730)**	(718,964)
Receipts from investments		**2,689,045**	7,963,974
Payments for investments		**(6,082,463)**	(9,866,768)
Net cash used in investing activities		**(3,228,996)**	**(2,133,060)**
Change in cash and cash equivalents in the year		**(1,819,900)**	(2,725,987)
Bank and cash balances brought forward		**6,740,389**	9,466,376
Cash and cash equivalents at the end of the year	**26**	**4,920,489**	**6,740,389**

Notes to the financial statements

For the year ended 31 March 2025

1 Income from donations and legacies

	Unrestricted funds 2025 £	Restricted funds 2025 £	Endowment funds 2025 £	Total funds 2025 £	Total funds 2024 £
Individual donations	3,525,010	305,761	-	**3,830,771**	2,344,032
Friends Group fundraising	172,657	140	-	**172,797**	184,846
Other voluntary income	1,215,914	39,959	-	**1,255,873**	1,238,123
Legacies	3,860,047	1,417,085	-	**5,277,132**	4,537,020
Grants and donations from Charitable Trusts	631,075	197,745	-	**828,820**	1,041,046
Total 2025	**9,404,703**	**1,960,690**	**-**	**11,365,393**	**9,345,067**
Total 2024	7,861,143	1,483,924	-	9,345,067	

2 Income from charitable activities

	Unrestricted funds 2025 £	Restricted funds 2025 £	Endowment funds 2025 £	Total funds 2025 £	Total funds 2024 £
Funding from regional Integrated Care Boards	20,792	1,092,285	-	**1,113,077**	1,303,019
NHS England Children's Hospice grant	-	1,406,560	-	**1,406,560**	1,364,434
NHS England Superannuation grant	-	33,800	-	**33,800**	33,800
Department of Health and Social Care Capital Grant Scheme	-	288,729	-	**288,729**	-
Partnership Income	38,415	17,000	-	**55,415**	-
Total 2025	**59,207**	**2,838,374**	**-**	**2,897,581**	**2,701,253**
Total 2024	38,453	2,662,800	-	2,701,253	

CHSW acknowledges the award of grants for Little Bridge House, Charlton Farm and Little Harbour from the NHS England Children's Hospice grant. The project undertakes to sustain and develop existing high quality hospice care for babies, children and young people receiving palliative care, and their families. It promotes education and learning needs of all those working in the sector in a responsive and flexible way. The funding and associated expenditure have been treated as movements in restricted funds.

In 2010 the charity succeeded in establishing contractual arrangements with the 6 ICBs whose areas the charity covers. These arrangements were constructed at the behest of Government. A price per bed night has been agreed and it has also been agreed the volume of bed nights each ICB will purchase. There are no unfulfilled conditions in respect of these contractual arrangements.

3 Income from non-charitable trading activities

Trading income	Unrestricted funds 2025 £	Restricted funds 2025 £	Endowment funds 2025 £	Total funds 2025 £	Total funds 2024 £
Lottery and raffles	1,172,047	-	-	**1,172,047**	1,032,807
Donations relating to the sale of goods where the shops acted as agent	2,135,110	-	-	**2,135,110**	1,679,117
Gift Aid received on donations where the shops acted as agent	520,272	-	-	**520,272**	407,753
Shops turnover	2,763,773	-	-	**2,763,773**	3,117,432
C H S W Promotions Limited	374,774	-	-	**374,774**	357,305
Total 2025	**6,965,976**	**-**	**-**	**6,965,976**	**6,594,414**
Total 2024	6,594,414	-	-	6,594,414	

4 Income from investments

	Unrestricted funds 2025 £	Restricted funds 2025 £	Endowment funds 2025 £	Total funds 2025 £	Total funds 2024 £
Rental income	8,280	-	-	**8,280**	8,994
UK	98,770	-	60,128	**158,898**	132,814
Overseas	198,469	-	116,864	**315,333**	245,269
Multi-asset funds	307,297	59,024	139,898	**506,219**	438,167
Income from cash deposits	180,673	-	-	**180,673**	149,874
Total 2025	**793,489**	**59,024**	**316,890**	**1,169,403**	**975,118**
Total 2024	919,113	56,005	-	975,118	-

5 Other income

	Unrestricted funds 2025 £	Restricted funds 2025 £	Endowment funds 2025 £	Total funds 2025 £	Total funds 2024 £
Other income	12,048	4,750		**16,798**	13,705
Total 2025	**12,048**	**4,750**		**16,798**	**13,705**
Total 2024	7,491	6,214		13,705	

6 Expenditure on raising funds and trading activities

Raising funds	Unrestricted funds 2025 £	Restricted funds 2025 £	Endowment funds 2025 £	Total funds 2025 £	Total funds 2024 £
Direct costs	539,870	131	-	**540,001**	448,536
Staff costs	2,102,628	-	-	**2,102,628**	1,882,100
Depreciation	18,659	-	-	**18,659**	9,894
Total 2025	**2,661,157**	**131**	**-**	**2,661,288**	**2,340,530**
Total 2024	2,340,530	-	-	2,340,530	
Trading activities					
C H S W Promotions Limited	339,185	-	-	**339,185**	352,974
Lottery and raffles	503,485	-	-	**503,485**	397,155
Shops	1,658,430	-	-	**1,658,430**	1,474,091
Dilapidation provision	44,899	-	-	**44,899**	-
Staff costs	2,958,618	-	-	**2,958,618**	2,554,049
Depreciation	280,583	-	-	**280,583**	298,821
Total 2025	**5,785,200**	**-**	**-**	**5,785,200**	**5,077,090**
Total 2024	5,077,090	-	-	5,077,090	

7 Expenditure on investment management fees

	Unrestricted funds 2025 £	Restricted funds 2025 £	Endowment funds 2025 £	Total funds 2025 £	Total funds 2024 £
Investment management fees	100,634	-	66,489	**167,123**	112,689
Total 2025	**100,634**	**-**	**66,489**	**167,123**	**112,689**
Total 2024	112,689	-	-	112,689	

8 Expenditure on charitable activities

By fund type	Unrestricted funds 2025 £	Restricted funds 2025 £	Endowment funds 2025 £	Total funds 2025 £	Total funds 2024 £
Care of babies, children, young people and families	5,607,824	7,503,580	-	**13,111,404**	12,015,544
Total 2025	**5,607,824**	**7,503,580**	**-**	**13,111,404**	**12,015,544**
Total 2024	7,606,400	4,409,144	-	12,015,544	

By expenditure type	Staff costs 2025 £	Depreciation 2025 £	Other costs 2025 £	Total funds 2025 £	Total funds 2024 £
Care of babies, children, young people and families	10,208,774	706,137	2,196,493	**13,111,404**	12,015,544
Total 2025	**10,208,774**	**706,137**	**2,196,493**	**13,111,404**	**12,015,544**
Total 2024	9,257,417	777,920	1,980,207	12,015,544	

9 Expenditure by activities

	Direct costs 2025 £	Support costs 2025 £	Total funds 2025 £	Total funds 2024 £
Care of babies, children, young people and families	10,797,732	2,313,672	**13,111,404**	12,015,544
Total 2025	**10,797,732**	**2,313,672**	**13,111,404**	**12,015,544**
Total 2024	9,952,628	2,062,916	12,015,544	

Direct costs	Total funds 2025 £	Total funds 2024 £
Staff costs	**8,920,560**	8,005,792
Depreciation	**598,114**	658,931
Other costs	**1,279,058**	1,287,905
Total	**10,797,732**	**9,952,628**
Support costs		
Staff costs	**1,288,214**	1,251,625
Depreciation	**108,023**	118,989
Other costs (see below)	**917,435**	692,302
Total	**2,313,672**	**2,062,916**

Detailed support costs	Total 2025 £	Total 2024 £
Communications and IT	**870,864**	682,980
Human resources	**550,950**	531,162
Governance	**53,535**	43,772
Finance	**484,000**	516,251
Head office support	**354,323**	373,635
Retail grant provision	**-**	(84,884)
Total support costs	**2,313,672**	**2,062,916**
Less staff costs included in above costs	**(1,288,214)**	(1,251,625)
Less depreciation included in above costs	**(108,023)**	(118,989)
Other support costs total	**917,435**	**692,302**

Governance costs comprise the costs of running the charity. This includes insurance of **£3,261** (2024: £2,486), external audit fees **£26,246** (2024: £21,680), internal audit fees **£350** (2024: £4,683), consultancy fees and legal advice for the Trustees **£12,787** (2024: £13,630) and all costs of complying with constitutional and statutory requirement such as the costs of Board of Trustees and committee meetings **£10,891** (2024: £1,293).

10 Auditor's remuneration

	Total 2025 £	Total 2024 £
Fees payable to the charity's auditor and its associates for the audit of the charity's annual accounts	18,430	17,720
Fees payable to the charity's auditor and its associates in respect of:		
The auditing of accounts of associates of the charity	3,275	3,150
Taxation compliance services	3,900	3,750
Accounts preparation	4,525	4,350

11 Staff costs

	Group 2025 £	Group 2024 £	Charity 2025 £	Charity 2024 £
Salaries and wages	**12,725,567**	11,498,253	**12,725,567**	11,498,253
Social security costs	**1,192,973**	1,049,591	**1,192,973**	1,049,591
Contribution to defined contribution pension schemes	**1,351,480**	1,145,722	**1,351,480**	1,145,722
Total	**15,270,020**	**13,693,566**	**15,270,020**	**13,693,566**

During the year, redundancy and settlement payments were made totalling **£4,500** (2024: £55,000). At 31 March 2025 the payments outstanding were **£Nil** (2024: £Nil).

Average number of persons employed	Group 2025 No.	Group 2024 No.
Hospice services	212	200
Fundraising and publicity	66	62
Trading	133	123
Management and finance	30	29
Total	**441**	**414**
Average headcount expressed as full time equivalents		
Hospice services	173	162
Fundraising and publicity	57	55
Trading	83	79
Management and finance	25	24
Total	**338**	**320**
Employees whose employee benefits (excluding employer pension costs) exceeded £60,000		
In the band £60,001 to £70,000	4	8
In the band £70,001 to £80,000	4	6
In the band £80,001 to £90,000	6	5
In the band £90,001 to £100,000	3	-
In the band £100,001 to £110,000	-	1
In the band £110,001 to £120,000	1	2
In the band £120,001 to £130,000	1	-

All Trustees and certain senior employees who have authority and responsibility for planning, directing and controlling the activities of the charity are considered to be key management personnel. Total employment costs (including social security and pension contributions) in respect of these senior employees is **£583,755** (2024: £699,642). The reason for the decrease is due to the vacant Director of Care post during the year to 31 March 2025.

12 Trustees remuneration and related party transactions

During the year, no Trustees received any remuneration or other benefits (2024: £NIL).

During the year ended 31 March 2025, expenses totalling **£2,169** were reimbursed or paid directly to 7 Trustees (2024: £1,104 to 5 Trustees) for travel and subsistence.

13 Net gain/(loss) on investments

	Unrestricted funds 2025 £	Restricted funds 2025 £	Endowment funds 2025 £	Total funds 2025 £	Total funds 2024 £
Net gain on property and land	-	-	-	-	2,349,343
Net (loss)/gain investments	(83,982)	-	6,888	(77,094)	2,067,695
Total 2025	**(83,982)**	**-**	**6,888**	**(77,094)**	**4,417,038**
Total 2024	1,288,695	2,349,343	779,000	4,417,038	

14 Intangible assets

Cost	Computer software £
At 1 April 2024	971,145
Additions	251,451
Disposals	(75,026)
At 31 March 2025	**1,147,570**
Amortisation	
At 1 April 2024	465,349
Charge for the year	157,328
Impairment charge	(75,026)
At 31 March 2025	**547,651**
Net book value	
At 31 March 2025	**599,919**
At 31 March 2024	505,796

15 Tangible fixed assets

Cost	Freehold property and land £	Leasehold property £	Motor vehicles £	Furniture, fittings and other equipment £	Total 2025 £
At 1 April 2024	22,017,489	625,906	288,191	5,121,530	**28,053,116**
Additions	22,917	452,534	-	280,279	**755,730**
Disposals	-	(5,900)	(6,356)	(168,376)	**(180,632)**
At 31 March 2025	**22,040,406**	**1,072,540**	**281,835**	**5,233,433**	**28,628,214**
Depreciation					
At 1 April 2024	3,958,058	469,952	258,781	3,882,941	**8,569,732**
Charge for the year	354,875	80,854	12,800	399,524	**848,053**
On disposals	-	(5,900)	(6,356)	(143,295)	**(155,551)**
At 31 March 2025	**4,312,933**	**544,906**	**265,225**	**4,139,170**	**9,262,234**
Net book value					
At 31 March 2025	**17,727,473**	**527,634**	**16,610**	**1,094,263**	**19,365,980**
At 31 March 2024	18,059,431	155,954	29,410	1,238,589	19,483,384

Included in the above is land totalling **£2,947,681** (2024: £2,947,681) which is not depreciated.

16 Investments

Group cost or valuation	Listed investments £	Donated land held for investment purposes £	Cash held as part of investment portfolio £	Total 2025 £
At 1 April 2024	30,198,250	335,466	417,663	**30,951,379**
Additions	6,394,707	-	-	**6,394,707**
Disposals	(2,785,073)	-	-	**(2,785,073)**
Revaluations	18,934	-	-	**18,934**
Net movement of cash held	-	-	(312,244)	**(312,244)**
At 31 March 2025	**33,826,818**	**335,466**	**105,419**	**34,267,703**
Group net book value				
At 31 March 2025	**33,826,818**	**335,466**	**105,419**	**34,267,703**
At 31 March 2024	30,198,250	335,466	417,663	30,951,379

Charity cost or valuation	Investment in subsidiary company £	Listed investments £	Donated land held for investment purposes £	Cash held as part of investment portfolio £	Total 2025 £
At 1 April 2024	100	30,198,250	335,466	417,663	**30,951,479**
Additions	-	6,394,707	-	-	**6,394,707**
Disposals	-	(2,785,073)	-	-	**(2,785,073)**
Revaluations	-	18,934	-	-	**18,934**
Net movement of cash held	-	-	-	(312,244)	**(312,244)**
At 31 March 2025	**100**	**33,826,818**	**335,466**	**105,419**	**34,267,803**
Net book value					
At 31 March 2025	**100**	**33,826,818**	**335,466**	**105,419**	**34,267,803**
At 31 March 2024	100	30,198,250	335,466	417,663	30,951,479

Listed investments at market value comprise	Total 2025 £	Total 2024 £
UK equities and bonds	**7,427,076**	5,265,864
Overseas equities and bonds	**9,050,911**	10,223,141
Multi fund assets	**17,348,831**	14,709,245
Total	**33,826,818**	**30,198,250**

Investments are held in a diverse portfolio of funds, managed by LGT, Sarasin & Partners and other fund managers, and in Government stocks. The only holdings in excess of 5% of total investments were Sarasin Endowment Funds.

16 Investments (continued)

Principal subsidiaries

The following was a subsidiary undertaking of the charity

Name	Company number	Registered office	Class of shares	Holding
C H S W Promotions Limited	02645823	Little Bridge House, Redlands Road, Barnstaple EX31 2PZ	Ordinary	100%

The financial results of the subsidiary for the year were:

Name	Income £	Expenditure £	Profit/(Loss) for the year £	Net assets £
C H S W Promotions Limited	**374,774**	**339,185**	**35,589**	**35,889**

The principal activity of C H S W Promotions Limited is the sale of bought-in goods for the benefit of CHSW. The Company pays its taxable profits to the charity under Gift Aid.

During the year the charity recharged expenses of **£170,506** (2024: £176,083) to CHSW Promotions Limited and remittances were **£178,337** (2024: £172,122). At the year end C H S W Promotions owed CHSW **£34,582** (2024: £42,412). Included within this is are management recharges of **£170,506** (2024: £173,588).

17 Stocks

	Group 2025 £	Group 2024 £
Finished goods and goods for resale	**45,968**	37,243

18 Debtors

	Group 2025 £	Group 2024 £	Charity 2025 £	Charity 2024 £
Amounts owed by group undertakings	-	-	**34,582**	42,412
Other debtors	**1,047,598**	613,344	**1,047,598**	613,344
Prepayments and accrued income	**681,836**	621,869	**681,835**	621,869
Legacies receivable	**319,800**	887,177	**319,800**	887,177
Total	**2,049,234**	**2,122,390**	**2,083,815**	**2,164,802**

19 Creditors

Amounts falling due within 1 year	Group 2025 £	Group 2024 £	Charity 2025 £	Charity 2024 £
Trade creditors	513,835	319,620	511,732	318,102
Other taxation and social security	302,517	258,397	301,971	257,256
Other creditors	269,400	252,040	269,400	252,040
Accruals and deferred income	1,214,500	674,525	1,208,436	669,017
Total	**2,300,252**	**1,504,582**	**2,291,539**	**1,496,415**
Deferred income				
Deferred income at 1 April 2024	493,570	504,449	493,570	504,449
Resources deferred during the year	883,642	493,570	883,642	493,570
Amounts released from previous periods	(363,570)	(504,449)	(363,570)	(504,449)
Deferred income at 31 March 2025	**1,013,642**	**493,570**	**1,013,642**	**493,570**

Deferred income includes income relating to registrations and sponsorship for upcoming events **£338,946** (2024: £403,145), lottery subscriptions for future draws **£101,696** (2024: £90,425) and grant income **£573,000** (2024: £Nil).

20 Financial instruments

	Group 2025 £	Group 2024 £	Charity 2025 £	Charity 2024 £
Financial assets measured at fair value through income and expenditure	33,932,237	30,533,716	33,932,237	30,533,716

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

21 Provisions for liabilities

	Group 2025 £	Group 2024 £	Charity 2025 £	Charity 2024 £
Dilapidation provision	1,581,282	1,581,282	1,581,282	1,581,282

Dilapidation provisions are a provision for anticipated costs of dilapidation across the charity's retail operations.

22 Statement of funds

2024 to 2025	Balance at 1 April 2024 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2025 £
Unrestricted designated funds						
Designated capital funds	19,609,177	-	(1,005,379)	982,105	-	**19,585,903**
Total unrestricted designated funds	**19,609,177**	**-**	**(1,005,379)**	**982,105**	**-**	**19,585,903**
Unrestricted general funds						
Unrestricted general funds	17,409,373	17,235,423	(13,149,436)	(3,108,542)	(83,982)	18,302,836
Total unrestricted general funds	**37,018,550**	**17,235,423**	**(14,154,815)**	**(2,126,437)**	**(83,982)**	**37,888,739**
Restricted funds						
Little Harbour capital	380,000	-	-	-	-	**380,000**
NHS England grants	-	1,406,560	(1,406,560)	-	-	**-**
Little Bridge House funds	158,298	959,614	(983,203)	(12,275)	-	**122,434**
Charlton Farm funds	4,064,771	663,152	(3,568,325)	(68,755)	-	**1,090,843**
Little Harbour funds	25,446	515,707	(491,470)	(22,650)	-	**27,033**
CHSW funds	87,707	1,317,805	(1,054,153)	(289,143)	-	**62,216**
Total restricted funds	**4,716,222**	**4,862,838**	**(7,503,711)**	**(392,823)**	**-**	**1,682,526**
Endowment funds						
CHSW Care Endowment Fund (CCEF)	13,345,694	316,890	(66,489)	2,514,883	(10,721)	**16,100,257**
Baylis Endowment Fund	1,674,251	-	-	4,377	17,609	**1,696,237**
Total endowment funds	**15,019,945**	**316,890**	**(66,489)**	**2,519,260**	**6,888**	**17,796,494**
Total funds 2025	**56,754,717**	**22,415,151**	**(21,725,015)**	**-**	**(77,094)**	**57,367,759**

22 Statement of funds (continued)

2023 to 2024	Balance at 1 April 2023 (as restated) £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2024 £
Unrestricted designated funds						
Designated capital funds	19,504,312	-	(1,086,635)	1,191,500	-	**19,609,177**
Designated care endowment fund	6,890,017	-	-		(6,890,017)	**-**
Total unrestricted designated funds	**26,394,329**	**-**	**(1,086,635)**	**(5,698,517)**	**-**	**19,609,177**
Unrestricted general funds						
Unrestricted general funds	17,753,484	15,420,614	(14,050,074)	(3,003,346)	1,288,695	**17,409,373**
Total unrestricted general funds	**17,753,484**	**15,420,614**	**(14,050,074)**	**(3,003,346)**	**1,288,695**	**17,409,373**
Restricted funds						
Little Harbour capital	380,000	-	-	-	-	**380,000**
NHS England grants	-	1,398,234	(1,398,234)	-	-	**-**
Little Bridge House funds	123,883	311,049	(272,858)	(3,776)	-	**158,298**
Charlton Farm funds	1,906,484	925,799	(1,193,405)	76,550	2,349,343	**4,064,771**
Little Harbour funds	29,257	225,379	(214,347)	(14,843)	-	**25,446**
CHSW funds	131,294	1,348,482	(1,330,300)	(61,769)	-	**87,707**
Total restricted funds	**2,570,918**	**4,208,943**	**(4,409,144)**	**(3,838)**	**2,349,343**	**4,716,222**
Endowment funds						
CHSW Care Endowment Fund (CCEF)	3,987,446	-	-	8,702,222	656,026	**13,345,694**
Baylis Endowment Fund	1,547,798	-	-	3,479	122,974	**1,674,251**
Total endowment funds	**5,535,244**	**-**	**-**	**8,705,701**	**779,000**	**15,019,945**
Total funds 2024	**52,253,975**	**19,629,557**	**(19,545,853)**	**-**	**4,417,038**	**56,754,717**

22 Statement of funds (continued)

Designated funds

Capital Funds

The Trustees have established designated capital funds which are equivalent to the net book value of unrestricted tangible and intangible fixed assets used to enable CHSW to carry out its charitable work.

Of the net transfer between funds **£326,865** (2024: £89,838) represents the amount spent on capital assets from restricted funds where the restrictions on the donations for assets have been fulfilled. In the year to 31 March 2025 **£680,321** (2024: £1,115,546) was spent on capital from general unrestricted funds and was transferred to designated capital funds. This is offset by the net book value of disposals in the year of **£25,081** (2024: £13,884).

Endowed funds

CHSW Care Endowment Fund (CCEF)

The CCEF exists to support the management of excess unrestricted reserve holdings which usually arrive in the form of unexpected and unpredictable windfalls from legacies. The fund is available to be spent (expendable endowment) to support the long-term sustainability, stability and resilience of the charity and the long-term continuation of the delivery of care services, and to ensure that future care expenditure and investment can be financed even during periods of lower anticipated income. To keep the accounts clear and avoid unnecessary internal transfers, income that would normally pass through the unrestricted fund has been recorded directly in the endowment fund. The amounts are immaterial and this approach is in line with the Charities SORP (FRS 102, paragraph 10.5). Management fees are shown as endowment expenses on the same basis.

On 31 March 2025 5 donations met the CCEF criteria totalling **£2,514,883** (2024: 4 donations totalling £1,713,987) and **£250,401** (2024: £98,218) of investment income was reinvested into the CCEF. Funds designated for transfer to the CCEF are included within endowed funds.

Baylis Endowment Fund

The Baylis Endowment Fund is to be retained for the benefit of the charity as a capital fund. The income from the capital is restricted due to the wishes of the donor. This income funds care staff costs at Charlton Farm, and in particular, the post of Head of Care. Income in 2025 is **£59,024** (2024: £56,005) and is included in the restricted funds income on the Statement of Financial Activities. The gain in 2025 is **£17,609** (2024: £122,974). The fund is an expendable endowment.

Restricted funds

The Little Harbour capital fund relates to the valuation of the land donated in 2009 to CHSW on which the hospice site has been built.

NHS England grant fund is the NHS England 'Children's Hospice Grant' which was given to sustain and develop the existing high quality hospice care for babies, children and young people receiving palliative care, and their families.

The Little Bridge House, Charlton Farm, Little Harbour and CHSW funds include donations towards specific projects at each hospice and across the whole charity, including Music Therapy, equipment, rooms and gardens, parties and presents, play equipment and materials, salary and other revenue costs, and funding of mums' and dads' groups.

Other legacies and donations were restricted to be spent at a specific hospice. **6** (2024: 3) restricted legacies were more than £50,000, of which a total of **£150,000** (2024: £289,379) was donated for Charlton Farm, **£780,000** (2024: Nil) was donated for Little Bridge House and **£338,585** (2024: £77,348) for Little Harbour.

23 Summary of funds

2024 to 2025	Balance at 1 April 2024 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2025 £
Unrestricted designated funds	19,609,177	-	(1,005,379)	982,105	-	**19,585,903**
Unrestricted general funds	17,409,373	17,235,423	(13,149,436)	(3,108,542)	(83,982)	**18,302,836**
Endowment funds	15,019,945	316,890	(66,489)	2,519,260	6,888	**17,796,494**
Restricted funds	4,716,222	4,862,838	(7,503,711)	(392,823)	-	**1,682,526**
Total	**56,754,717**	**22,415,151**	**(21,725,015)**	**-**	**(77,094)**	**57,367,759**

2023 to 2024	Balance at 1 April 2023 (as restated) £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2024 £
Unrestricted designated funds	26,394,329	-	(1,086,635)	(5,698,517)	-	**19,609,177**
Unrestricted general funds	17,753,484	15,420,614	(14,050,074)	(3,003,346)	1,288,695	**17,409,373**
Endowment funds	5,535,244	-	-	8,705,701	779,000	**15,019,945**
Restricted funds	2,570,918	4,208,943	(4,409,144)	(3,838)	2,349,343	**4,716,222**
Total	**52,253,975**	**19,629,557**	**(19,545,853)**	**-**	**4,417,038**	**56,754,717**

24 Analysis of net assets between funds

2024 to 2025	Unrestricted funds 2025 £	Restricted funds 2025 £	Endowment funds 2025 £	Total funds 2025 £
Tangible fixed assets	18,985,980	380,000	-	**19,365,980**
Intangible fixed assets	599,919	-	-	**599,919**
Fixed asset investments	16,135,743	335,466	17,796,494	**34,267,703**
Current assets	6,048,631	967,060	-	**7,015,691**
Creditors due within one year	(2,300,252)	-	-	**(2,300,252)**
Provisions for liabilities and charges	(1,581,282)	-	-	**(1,581,282)**
Total	**37,888,739**	**1,682,526**	**17,796,494**	**57,367,759**

2023 to 2024	Unrestricted funds 2024 £	Restricted funds 2024 £	Endowment funds 2024 £	Total funds 2024 £
Tangible fixed assets	19,103,384	380,000	-	**19,483,384**
Intangible fixed assets	505,796	-	-	**505,796**
Fixed asset investments	15,595,968	335,466	15,019,945	**30,951,379**
Current assets	4,899,266	4,000,756	-	**8,900,022**
Creditors due within one year	(1,504,582)	-	-	**(1,504,582)**
Provisions for liabilities and charges	(1,581,282)	-	-	**(1,581,282)**
Total	**37,018,550**	**4,716,222**	**15,019,945**	**56,754,717**

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

	Group 2025 £	Group 2024 £
Net income for the period (as per Statement of Financial Activities	**613,042**	**4,500,742**
Adjustments for:		
Depreciation and amortisation charges	**1,005,381**	1,086,635
Gains on property and land	**-**	(2,349,343)
Losses/(gains) on investments	**77,094**	(2,067,695)
Dividends, interests and rents from investments	**(1,169,403)**	(975,118)
Loss on the sale of fixed assets	**22,881**	13,879
(Increase)/decrease in stocks	**(8,725)**	25,259
Decrease/(increase) in debtors	**73,156**	(327,653)
Increase/(decrease) in creditors	**795,670**	(414,749)
(Decrease)/increase in provisions	**-**	(84,884)
Net cash provided by/(used in) operating activities	**1,409,096**	**(592,927)**

26 Analysis of cash and cash equivalents

	Group 2025 £	Group 2024 £
Cash in hand	4,920,489	6,740,389
Total cash and cash equivalents	**4,920,489**	**6,740,389**

27 Analysis of changes in net debt

	At 1 April 2024 £	Cash flows £	At 31 March 2025 £
Cash at bank and in hand	6,740,389	(1,819,900)	4,920,489
Total	**6,740,389**	**(1,819,900)**	**4,920,489**

28 Pension commitments

CHSW employees belonged to 2 principal pension schemes during the year. The NHS pension scheme for eligible staff is a defined benefit scheme. Non-eligible members of staff are offered a defined contribution scheme administered by Scottish Widows.

NHS scheme

Only ex-NHS qualified doctors and nurses are eligible to join the NHS scheme. The NHS scheme is a multi-employer defined benefit pension scheme. As the charity is unable to identify its share of the assets and liabilities of the scheme on a consistent and reliable basis, the scheme is treated by the charity as if it were a defined contribution scheme, in accordance with Financial Reporting Standard (FRS 102).

The Department of Health and Social Care (DHSC) confirmed that the NHS employer contribution rate increased to 23.78% from April 2024. The Government has committed to cover this cost increase for a certain category of employers, including CHSW, until 31 March 2025.

Total pension contributions and liabilities

The total pension costs, excluding salary exchange, charged in the year represent the charity's contributions to all the schemes and amounted to **£1,351,480** (2024: £1,145,722). The charity contributions outstanding at 31 March 2025 were **£173,493** (2024: £147,176). The assets and liabilities of both schemes are held separately from those of the charity, in independently administered pension schemes.

29 Operating lease commitments

At 31 March 2025 the group and the charity had commitments to make future minimum lease payments under noncancellable operating leases as follows:

	Group 2025 £	Group 2024 £	Charity 2025 £	Charity 2024 £
Not later than 1 year	765,177	596,976	765,177	596,976
Later than 1 year and not later than 5 years	1,701,091	1,144,276	1,701,091	1,144,276
Later than 5 years	261,880	78,584	261,880	78,584
Total	**2,728,148**	**1,819,836**	**2,728,148**	**1,819,836**

The following lease payments have been recognised as an expense in the Statement of financial activities:

	Group 2025 £	Group 2024 £	Charity 2025 £	Charity 2024 £
Operating lease rentals	**922,801**	**903,739**	**922,801**	**903,739**

30 Indemnities

Legacies

The charity has indemnified the executors of 3 estates in respect of residuary legacies distributed to the charity. The maximum liability under the indemnities at the date the accounts were approved is **£24,225** (2024: £24,225).

Solicitors unclaimed client funds

Following the passing of relevant legislation, solicitors are now permitted to distribute to charities certain unclaimed client funds, however an indemnity is required from those charities to indefinitely commit to refund any funds that are subsequently claimed. The total of the charity's indemnities is **£97,900** (2024: £97,900).

31 Post balance sheet events

As at 31 March 2025, the charity had been notified of a number of residuary legacies, the values of which were uncertain, as the executors were awaiting confirmation of other claims on the estate and may also be in the process of realising assets such as residential property. The estimated total of these legacies could be up to **£1,400,000** (2024: £1,900,000).

None of these legacies have been accrued in the financial statements.

There are no other post balance sheet events that require reporting.

Accounting policies

1. General information

Children's Hospice South West is a company limited by guarantee (registered number 02620879), which is incorporated and registered in England and Wales.

Its charity registration number is 1003314. The registered office is Little Bridge House, Redlands Road, Fremington, Barnstaple, Devon EX31 2PZ.

The liability of each member in the event of winding up is limited to £1 per member.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the charity's Statement of Recommended Practice (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), Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), Companies Act 2006 and the Charities Act 2011.

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

The consolidated statement of financial activities (SOFA) and consolidated balance sheet consolidate the financial statements of the charity and its subsidiary undertaking. The results of the subsidiary are consolidated on a line-by-line basis and intercompany balances are eliminated on consolidation.

The charity has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own statement of financial activities in these financial statements. The charity has taken advantage of the exemptions in FRS 102 from the requirements to present a charity-only cash flow statement and certain disclosures about the charity's financial instruments.

2.2 Going concern

The group has cash resources and no requirement for external funding to fund normal operating activities. The Trustees believe that there are no material uncertainties about the group's ability to continue in operating existence for the foreseeable future, having reviewed our financial position, reserves levels and future plans. They continue to believe the going concern basis of accounting appropriate in preparing the annual financial statements.

2.3 Income

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Income from voluntary sources is received by way of donations and gifts and is included in full in the consolidated statement of financial activities when receivable.

Income from Gift Aid tax reclaims is recognised for all claims made prior to the year end, where valid Gift Aid declarations are held and allocated to the same fund as the underlying donation.

Donated services and facilities

Properties, investments and other fixed assets donated to the charity are included as income and recognised as assets or investments at market value at the time that the charity takes control of the item. Donated services, if material, are recognised at their estimated value to the charity when received, and under the appropriate expenditure heading depending on the nature of the service provided, at the same value and time. Although it is of significant value to the charity, time donated by the charity's volunteers and Friends Group members is not recognised in the accounts as it cannot be reliably valued and is specifically exempted by the Statement of Recommended Practice. Details of the roles played by volunteers and the nature of their contribution can be found in the Trustee's report.

Stocks of donated goods for resale cannot be measured reliably in a cost effective manner, due to the high volume of low value items received. Therefore donated goods for resale are not recognised on receipt, but their value is recognised as income when sold.

Legacy income
Legacies are recognised when the charity is entitled to the funds (when there is a valid will and they are notified of the benefactor's death), when receipt is probable (indicated by grant of probate) and the charity can reliably estimate the legacy income receivable.

Recognition is therefore dependent on the type of legacy:

- Pecuniary legacies are recognised when notification is received
- Residuary legacies are recognised on settlement of the estate or receipt of payment, whichever is earlier.

Where a legacy has been notified to the charity but the criteria for income recognition has not been met the legacy is treated as a contingent asset and disclosed if material in the accounts.

Income received in advance
Income received in advance of an event or provision of another specific service, is deferred until the criteria for income recognition are met.

Grants
Grants received for specific purposes are accounted for as restricted funds. Grants that provide core funding or are of a general nature provided by charitable foundations are recorded as donations. The grants detailed in note 2 have been included as income from charitable activities as they relate to the provision of care. Grants are recognised in full when the entitlement is established.

Investment income
Investment income is credited to income on an accruals basis.

Interest received
Interest on funds held on deposit is included when receivable.

2.4 Expenditure

Expenditure is accounted for on an accruals basis and recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, and when it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the location of the asset's use.

The costs of raising funds are those incurred in encouraging individuals and organisations to make voluntary contributions and donations to the charity. This includes the costs of the charity's fundraising offices and supporter groups, the cost of trading and investment management fees.

Charitable expenditure comprises direct expenditure including direct staff costs attributable to its care activities and support costs.

All expenditure is inclusive of irrecoverable VAT.

Support costs include central functions and are allocated on a basis consistent with the use of resources. This allocation is carried out on a substantive activity basis and does not take account of incidental use.

Governance costs are included within support costs and comprise the costs of running the charity. This includes external audit, any legal advice for the Trustees and all costs of complying with constitutional and statutory requirements such as the costs of Board of Trustees and committee meetings.

2.5 Intangible assets and amortisation

Intangible assets costing **£2,000** (2024: £2,000) or more are capitalised and recognised when future economic benefits are probable, and the cost or value of the asset can be measured reliably.

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Amortisation is provided on intangible assets at rates calculated to write off the cost of each asset on a straight line basis over its expected useful life.

Amortisation is provided on computer software over 4 years.

2.6 Tangible fixed assets and depreciation

Tangible fixed assets costing **£2,000** (2024: £2,000) or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight line method. Freehold land is not depreciated.

Depreciation is provided on the following bases:

- Freehold property: 5 to 50 years
- Leasehold property: life of lease
- Motor vehicles: 4 years
- Furniture, fittings and other equipment: 5 to 10 years
- Computer equipment: 5 years.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Consolidated statement of financial activities.

2.7 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Consolidated statement of financial activities.

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

2.8 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow moving stocks.

2.9 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.

Debtors

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

Cash at bank and in hand

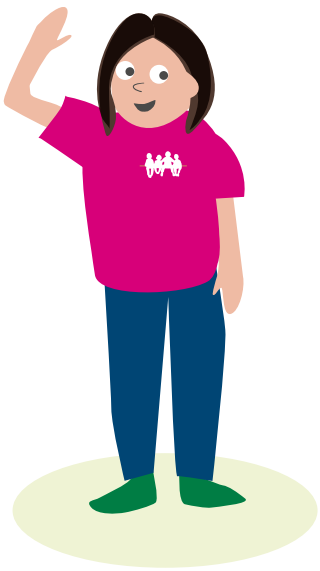
Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of 3 months or less from the date of acquisition or opening of the deposit or similar account.

Creditors

Liabilities and provisions are recognised when there is an obligation at the Balance sheet date as a result of a past event, and it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

2.10 Pensions

The charity contributed to 1 defined benefit scheme in the year but also operates a defined contribution pension scheme. Pension costs charged to the statement of financial activities represent the contributions payable by the charity in respect of the accounting period. Both schemes are accounted for as defined contribution schemes. Note 28 provides a detailed explanation.



2.11 Operating leases

Rentals paid under operating leases are charged to the Consolidated statement of financial activities on a straight line basis over the lease term.

2.12 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the group and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the group for particular purposes. The aim and use of each restricted fund is set out in the notes to the financial statements.

The aim and use of each endowed fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

2.13 Taxation

The charity is exempt from Corporation Tax on its charitable activities.

The charity is registered for VAT. Irrecoverable VAT is allocated to the areas in which it is incurred.

3. Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The charity makes estimates and assumptions concerning the future.

Impairment of debtors

The group makes an estimate of the recovery of debtors. When assessing the impairment of debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience.

Provisions

The group has estimated the anticipated costs of dilapidation's across its retail operations based on the age of the lease and the fit out costs.

Useful economic lives of intangible and tangible assets

The annual depreciation and amortisation charges for the intangible and tangible are sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are amended when necessary to reflect current estimates and the physical condition of the assets. See notes 14 and 15 for the carrying amount of the intangible and tangible assets and policy 2.5 and 2.6 for the useful lives for each class of asset.

Audit report

Independent auditor's report to the members of CHSW

Opinion

We have audited the financial statements of Children's Hospice South West (the 'parent charitable company') and its subsidiary (the 'Group') for the year ended 31 March 2025 which comprise the Consolidated statement of financial activities, the Consolidated balance sheet, the charity balance sheet, the Consolidated cash flow statement 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 2025 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
- 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 UK, 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 12 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 other information comprises the information included in the Annual report other than the financial statements and our Auditor's report thereon. The Trustees are responsible for the other information contained within the Annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- The information given in the Trustees' Report and Strategic Report for the financial year for which the financial statements are prepared are consistent with the financial statements
- The Trustees' Report and Strategic Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In 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 Trustee's Report or 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 statement of Trustees' responsibilities on page 22, 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.

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

We obtained an understanding of the legal and regulatory frameworks within which the Group and charitable company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006, the Charities Act 2011 together with the charity's Statement of Recommended Practice (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 Group and charitable company's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the Group and charitable company for fraud. The laws and regulations we considered in this context were Care Quality Commission (CQC) Regulations, UK General Data Protection Regulation (UK GDPR), Anti fraud, bribery and corruption legislation, environmental protection legislation, Health and safety legislation, Taxation legislation and Employment legislation.

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 in the following areas: timing of recognition of income (specifically legacy income and grant income other than NHS income); the override of controls by management, including posting of unusual journals; inappropriate treatment of non routine transactions and areas of estimation uncertainty.

Our audit procedures to respond to these risks included enquiries of management about their own identification and assessment of the risks of irregularities, review and discussion of non routine transactions, sample testing on the posting of journals and income streams noted above and review of accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission and reading minutes of meetings of those charged with governance.

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

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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.

Guy Biggin
Senior Statutory Auditor

For and on behalf of Crowe U.K. LLP
Statutory Auditor
4th Floor, St James House,
St James Square,
Cheltenham GL50 3PR

Date: 10 December 2025

Structure, governance and management

CHSW is a registered charity with the Charity Commission in England and Wales (charity number 1003314) and was incorporated as a private company limited by guarantee (company number 02620879), on 17 June 1991. Legal and company information is set out on page 56 and lists the Directors, Trustees, Senior Management Team (SMT) and the principal advisors, and forms part of this report.

The principal object of the charity

The charity was established to promote the relief of illness and suffering in such ways as the Association shall from time to time think fit, and particularly in the South West counties of England and adjacent areas and in particular:

- By establishing, maintaining and conducting residential nursing homes for the reception and care of young persons who are suffering from any chronic or terminal illness or any other physical or mental infirmity, disability or disease and for the reception and care of the members of the family of such persons whether adult or otherwise, and so that any such home may be restricted to patients (and the families of patients) of under a certain age limit or to patients suffering from any particular types of illness, disability, disease or infirmity, and by providing medical or other treatment or attention for any such persons and their families as aforesaid in their own homes
- By conducting, promoting or encouraging research into the care and treatment of persons suffering from any such illness, disability, disease or infirmity as aforesaid and particularly into the care and treatment of persons suffering from terminal illness and the care of the families of such persons and by providing for the dissemination of the results of such research
- By promoting, encouraging or assisting in the teaching or training of Doctors, Nurses, Physiotherapists, Administrators, Social Workers, and other persons engaged in any branch of medicine, surgery, nursing or allied services, and in the teaching or training of students in any branch of medicine, surgery, nursing or allied services
- By providing, assisting or encouraging spiritual help and guidance for any resident (baby, child, young person or their family) or associated with any such home or homes as aforesaid.

In pursuing the principal objectives of the charity, activities that CHSW provides to the families in the South West are detailed on page 9.

Organisational structure

The charity is constituted as a company limited by guarantee, and, therefore, is governed by a Memorandum and Articles of Association and has no share capital.

The charity has a wholly owned subsidiary, C H S W Promotions Limited. The principal activity of the subsidiary is the sale of promotional and bought in goods in support of CHSW.

The Directors of this subsidiary throughout the year, unless otherwise stated, are as follows:

- Nicola Mason, CHSW Trustee (resigned 28 November 2024)
- Jessica Patel, CHSW Director of Marketing and Communications and Deputy Chief Executive
- David Turner, CHSW Trustee
- Jonathan Webber, CHSW Director of Finance and Retail.

All Directors of C H S W Promotions Limited, (excluding the SMT), are also Trustees of the charity and there are no other Trustees.

The charity is organised so that the Trustees meet collectively at least 4 times a year to direct the management of its affairs. Strategy days are also held periodically. The members (the members of the charity include all Trustees and 2 other individuals) of the charity may, by ordinary resolution, appoint persons willing to act as a Trustee.

Assurance Committees

In addition to regular Board meetings, with the attendance of all Trustees and the SMT, delegated authority has been given to Assurance Committees to assist the Board in several functional and risk areas of the charity. These Assurance Committees are attended by Trustees with relevant skills and experience, meet at least 3 times per year and report directly to the Board. They currently include:

- Care Assurance Committee
- Income Generation and Marketing Assurance Committee
- Investment and Finance Assurance Committee
- Governance Assurance Committee (incorporating risk and remuneration).

Appointment of Trustees

The Board of Trustees, listed on page 56, is responsible for confirming the appointment of a new Trustee following a clear recruitment and selection policy and procedure. The term of office is 3 years after which period a Trustee must seek re-appointment by the Board if he or she wishes to continue as a Trustee. There is currently a 3 term maximum on the number of terms of office a Trustee can serve.

CHSW will ensure it maintains and enhances its own accountability and wider public confidence in its work by:

- Engaging effectively with the community it serves
- Responding equitably to the needs of its users
- Endeavouring to ensure a mix of Trustees that reflects the mix of CHSW beneficiaries and its local communities.

New Trustees are offered a programme of induction which includes reading a certain amount of literature, meeting with some of those who lead the charity, and gaining some first-hand experience of the situations in which we work. The programme of induction contains the following elements:

- A document pack including:
  - Charity structure chart
  - Governing documents and governance policies
  - Strategic plan
  - Latest annual report
  - Latest management accounts
  - Risk register
  - Annual meeting schedule.
- Meeting key personnel including the chair of Trustees and individual members of the SMT
- Taking a tour of one of our hospices and meeting with the Head of Care
- Attending a welcome day with other new staff
- Spending time on a shift, working with the Care Team, pending restrictions
- Attending other key events, fundraising events and a Friends Group conference.

Management

The day-to-day operation of the charity is carried out by SMT, listed on page 56, who have delegated responsibility and are employees of the charity.

All members of SMT report to the Chief Executive Officer (CEO), Phil Morris, who oversees all operational and strategic matters and was appointed in March 2025. Eddie Farwell was CEO during the year to March 2025, however due to ill health he was on long-term leave. Acting CEO, Jessica Patel (Deputy CEO) provided interim ongoing cover and responsibility for the CEO position until the appointment of Phil Morris.

Care across the charity was provided under the direction of Claire Kilbey (CHSW Deputy Director of Care, Clinical) and Dr Alison Stephens (CHSW Deputy Director of Care, Children, Families and Psychological Services). In May 2025, Claire Kilbey was appointed as Director of Care and will lead on oversight and management of care throughout the charity.

The Director of Marketing and Communications and Deputy CEO, Jessica Patel, oversees marketing and communication, together with IT services.

The finance function is overseen by the Director of Finance and Retail, Jonathan Webber. Jonathan is also the Company Secretary and is responsible for retail trading operations. The Director of HR, Daphne Sands, is responsible for facilities management and health and safety. The Fundraising Team work under the direction of the Director of Fundraising, Paul Courtney.

SMT remuneration, including that of the CEO, is reviewed annually by the Governance Assurance Committee. Senior management remuneration is established and reviewed periodically based on the Hay Group methodology in respect to job evaluation and having due regard to CHSW's duty to ensure the best value and after taking advice on pay levels, market conditions and other relevant factors.

Other than allowable business expenses, CHSW makes no payments in addition to the basic salary to the CEO and SMT for undertaking their core role. Any authorised additional hours will be subject to the conditions in line with all staff.

Employees

CHSW is committed to the principle of equal opportunities in employment and recognises its obligations under the Equality Act 2010. CHSW declares its opposition to any form of less favourable treatment, whether through direct or indirect, associated or perceived discrimination accorded to CHSW staff, or job applicants, on the grounds of their race, nationality or ethnic origin, disability, sex, age, sexual orientation and gender reassignment, marital and civil partnership status, pregnancy and maternity, religion or belief, (otherwise known as 'protected characteristics' as defined by the Equality Act 2010), including Human Rights.

CHSW is committed to creating a positive culture of respect for all CHSW staff, promoting positive practices and valuing the diversity of all individuals and communities.

CHSW embraces and recognises the importance of diversity, that different people bring different perspectives, ideas, knowledge and culture, and that this difference brings great strength as well as contributes to employee wellbeing and engagement.

CHSW aims to create a culture that respects and values each person's differences, promotes dignity, equality, diversity and inclusivity, and that encourages individuals to develop and maximise their true potential.

We expect commitment and involvement from all CHSW staff, partners and providers of goods and services in working towards the achievement of our aim. Continued close attention is paid to the health and safety of employees while at work, and all employees are provided with appropriate training in compliance with our CHSW Health and Safety Policy.

Employee views are sought through several forums including 121s, team meetings, steering groups, staff surveys and the Staff Council. CHSW's strong 'Speaking Up' culture is also supported by a team of Freedom to Speak Up Champions from across the charity which includes a Trustee. No concerns were raised via the Whistleblowing Policy this year. Information concerning the charity and its activities and performance are shared with employees through several channels including Internal Communications via email, the Staff Intranet, and Site Meetings.

Engaging with our stakeholders

CHSW Trustees set out to define discrete stakeholder groups and recognise many of them have complementary interests and shared priorities. Stakeholders include babies, children and young people living with life-limiting conditions, their families, donors, staff, volunteers, ICBs, local communities, contractors, suppliers, and our Patron.

The Trustees have a strategy for regular and effective communication with these stakeholders about the charity's purposes, values, work and achievements. Examples of this include marketing strategies and a family engagement programme.

The Trustees communicate how the charity is governed, who they are, and decisions made through the CHSW website and the Trustee Annual Report. The Trustees ensure that stakeholders have an opportunity to hold the board to account through agreed processes and routes such as Friend's Group Conferences, Volunteer Appreciation days, Parent Forums, Parent Feedback Questionnaires, Staff Council and regular Staff Surveys.

The Trustees make sure there is suitable consultation with stakeholders about significant changes to the charity's services or policies.

Memberships

To assist in its decision-making and to ensure current and best practices are always followed, the charity is an active participant in the membership of several not-for-profit organisations. These include:

- Hospice UK
- Together for Short Lives
- Fundraising Regulator
- Charity Retail Association
- Hospice Lottery Association
- Gambling Commission
- The Lotteries Council.

Related parties

CHSW has a trading subsidiary C H S W Promotions Limited which is responsible for the sale of all new goods, including Christmas cards. The relationship between the 2 organisations is set out in a memorandum of understanding.

Charity governance code

CHSW is a not-for-profit organisation which aims to follow charity sector best practices. The Charity Governance Code for larger charities was adopted into our new Governance Framework, which was completed in March 2021. The code sets out the principles and recommended practices for good governance and is a tool for continuous improvement towards the highest standards.

Our governance and risk frameworks were reviewed and updated last year. Our focus for this year will include Trustee recruitment and continuing with our stakeholder's voice reviews to support the strategic development of our care.

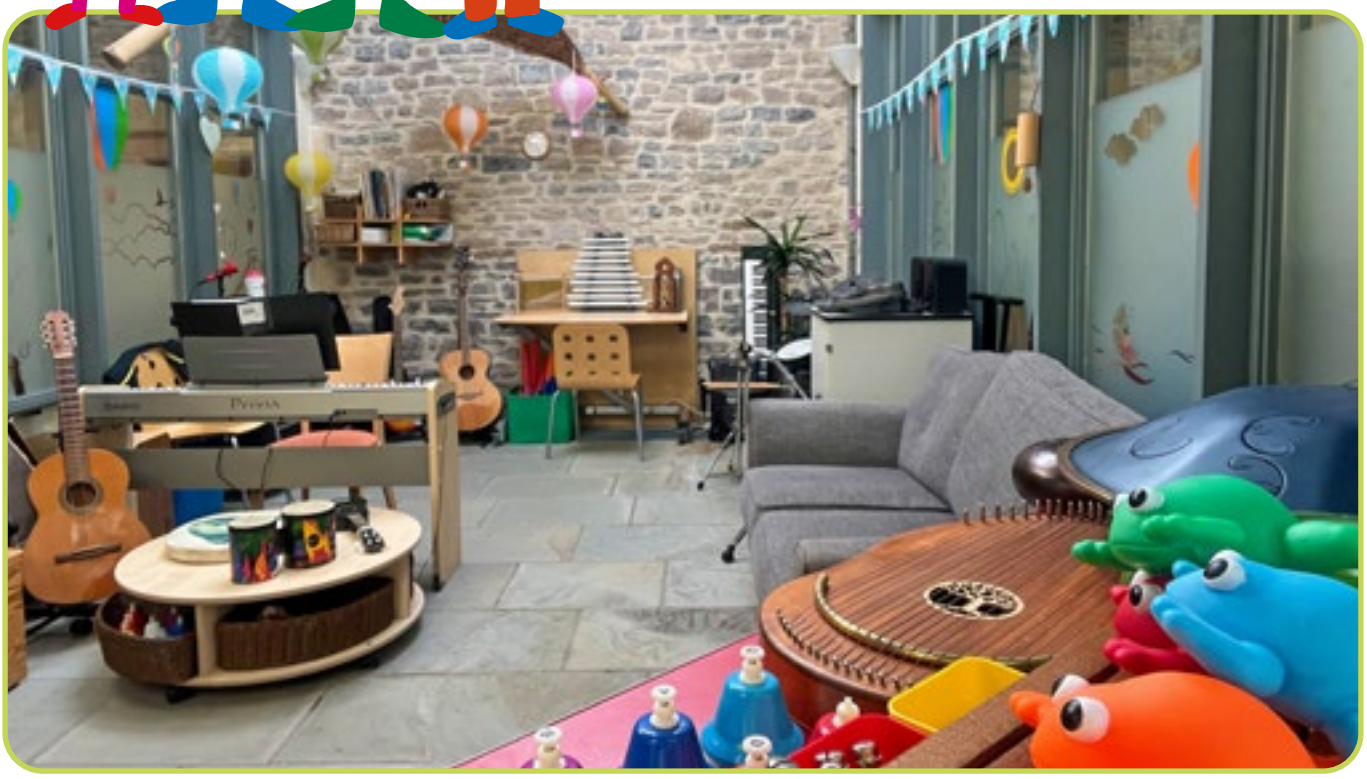
Energy and carbon reporting

Phase 3 of the Government Energy Savings and Opportunities Scheme (ESOS) was completed in quarter 4. Action planning to respond to the ESOS recommendations are in motion and will form part of our 5 year plan, this will be managed by our Facilities Team. An environmental role has been established to support taking the CHSW green agenda forward.

In the year ended 31 March 2025, the charity's annual energy usage was **1,345,251kWh** (2024: 1,290,382kWh) which equates to **279.96 tonnes CO2e** (2024: 290.2 tonnes CO2e). When assessed against the charity's charitable spend of **£13,111,404** this gives an intensity ratio of 1 tonne CO2e: **£46,840** charitable spend (2024: £41,416).

CHSW completed its third Annual Green Agenda Report for 2024 to 2025. The achievements and actions taken against our stated ambitions include:

- CHSW's Environmental Objectives Statement has been agreed and adopted by SMT and the Ambitions Statement published on our website
- Submission of our ESOS 5 year action plan. First updates to be issued in December 2025
- Formation of CHSW's Green Team with the objective of driving sustainable initiatives across the organisation
- All CHSW leased company cars are now hybrid as a result of policy changes made last year.



Reference and administration

Company number	02620879
Charity number	1003314
Trustees	Stephen Hindley CBE, DL (resigned 9 October 2025) David Turner Nicola Mason (resigned 28 November 2024) Patricia Morris (Chair) Alan Broughton (Vice Chair) Roger Knight (Treasurer) Stewart Davidson (resigned January 2025) Andrew Gould (Vice Chair) Ethna Bashford (appointed 10 October 2024) Jessica Steevens (appointed 10 October 2024) Caroline Tilley (appointed 10 October 2024) Samuel Bedford (appointed 10 October 2024)
Our patron	Her Majesty The Queen
Secretary	Jonathan Webber
Registered office	Little Bridge House, Redlands Road, Fremington, Barnstaple EX31 2PZ
Senior Management Team (SMT)	Chief Executive (CEO): Phil Morris Director of Marketing and Communications and Deputy CEO: Jessica Patel Director of Care: Claire Kilbey Director of Finance and Retail: Jonathan Webber Director of HR: Daphne Sands Director of Fundraising: Paul Courtney
Advisors	Principal Bankers: Barclays Bank Plc, 3rd Floor, 3 Bedford Street, Exeter EX1 1LX Principal Solicitors: Burges Salmon LLP, 1 Glass Wharf, Bristol BS2 0ZX Investment Managers: LGT Wealth Management UK LLP, 15 Queen Square, Bristol BS1 4NP Investment Managers: Sarasin & Partners LLP, Juxon House, 100 St Paul's Churchyard, London EC4M 8BU Independent Auditor: Crowe U.K. LLP Statutory Auditor, 4th Floor, St James House, St James Square, Cheltenham GL50 3PR

Fundraising standards

Valuing our supporters and upholding high standards

Children's Hospice South West is committed to ensuring that all our imaginative, engaging and varied fundraising methods are safe, respectful, transparent and accountable at all times. We are fully registered with the Fundraising Regulator which enables people to give with confidence. We also ensure that all regulatory updates and developments are acted upon and shared with all staff, with a commitment to a consistent training and monitoring programme. This includes annual training on the Regulator's Code of Fundraising Practice.

In addition to regulatory compliance, we actively encourage and provide opportunities for our Fundraising and Marketing Teams to attend conferences and training (in-person and online) that keeps them up to date with sector trends, best practice, and innovations in fundraising.

The high standards of fundraising that we expect of our teams also extend to those acting on behalf of CHSW. Volunteers receive extensive training to ensure they are up to date with the standards set out in the code, and any agencies or commercial participators to whom we entrust the CHSW brand must demonstrate their commitment to and active compliance with the code both before work commences and during ongoing work.

In the year to March 2025, CHSW was supported by 2 (2023 to 2024:2) external agencies to promote membership of our Raise a smile Lottery. Engage and Connect and The Fundraising Partnership both carried out door-to-door and venue-based fundraising.

All canvassers employed by both agencies receive rigorous training that is monitored and consolidated by annual reviews from the CHSW Team. Regular reviews of agency activity, quality assurance calls and questionnaires, and a spot-check mystery shopping framework all help to ensure that CHSW's highest standards are reflected by those employed by these professional fundraising organisations.

During the year, there were a number of Cause Related Marketing (CRM) agreements with businesses partnering with us to raise funds. These agreements were reviewed regularly to ensure companies were acting in line with the standards expected at all times and no reputational risks arose. No agreements are entered into without due diligence checks and adherence to CHSW's Ethical Fundraising and Donation Acceptance Policy.

Everyone at CHSW is committed to behaviour and communications that ensure no potential or existing supporter ever feels under any undue pressure to support or donate to CHSW. This is particularly important when it comes to protecting vulnerable people. Our policies and ongoing training help us maintain this commitment to respect, privacy and care at all times and to all supporters.

While we are committed to very high standards, there are times when we do receive complaints and people feel the need to raise a concern about our fundraising. The following table provides a record of complaints and concerns raised in the year 2024 to 2025:

Department	Complaint	Concern raised
Head Office	1 (2024: 1)	2 (2024: 0)
Fundraising	1 (2024: 2)	0 (2024: 1)
Marketing	1 (2024: 0)	1 (2024: 1)
Lottery	2 (2024: 4)	0 (2024: 4)
Database Administration	2 (2024: 2)	0 (2024: 1)

All complaints and concerns were reviewed and resolved in line with CHSW's Complaints policies and no further escalation or involvement of external regulators was required.

Registered with FUNDRAISING REGULATOR

GAMBLING COMMISSION

THE LOTTERIES COUNCIL

children's hospice
SOUTH WEST

www.chsw.org.uk
enquiries@chsw.org.uk

Little Bridge House
Redlands Road, Fremington, Barnstaple, Devon EX31 2PZ
01271 325 270

Charlton Farm
Charlton Drive, Wraxall, North Somerset BS48 1PE
01275 866 600

Little Harbour
Porthpean Road, Porthpean, St Austell, Cornwall PL26 6AZ
01726 871 800

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CHILDREN'S HOSPICE SOUTH WEST

England & Wales - Charity number 1003314

Accounts

children's hospice
SOUTH WEST

Annual Report and Financial Statements

For the year ended 31 March 2024

Making the most of short and precious lives across the South West

www.chsw.org.uk

Registered Charity No. 1003314 Company No. 02620879 (England and Wales)

Charlton Farm 2023

Little Bridge House 2021

Little Harbour 2013

Welcome to our Annual Report 2023 to 2024

At Children's Hospice South West (CHSW) we believe that every baby, child, young person, and family deserves the highest quality of care. In the 2023/2024 year, we focused on increasing our activity to meet the individual needs of those families we support. Whether in hospice, at home, or virtually, we have worked tirelessly to be there when they need us most, offering them choice and flexibility in their care.

Our commitment to continuous improvement is evidenced by the considerable progress across our service. We have maintained our robust system of governance, fostering an open culture throughout our teams. We have encouraged collaborative working across our 3 hospices to develop an infrastructure of holistic support, increase levels of daycare and support of the launch of a pilot 24-hour end of life care service in the Bristol, North Somerset and South Gloucestershire area, in collaboration with other agencies.

Despite the national challenges with nurse recruitment, we saw an improvement in our Care Team numbers, thanks to a concerted effort to support the recruitment and retention of all CHSW staff, particularly nurses. Our strategy for 2024/2025 will focus on further strengthening our workforce to maintain the high standards of care for which we are known.

From a financial standpoint we have faced rising costs due to inflation, increased care activities, and statutory wage increases, with expenditure on care rising over 23%. Consequently, our income largely matched our expenditure. We generated a surplus for the year due to an increase in the market value of our investments and one-off disposal of a piece of land, which had been generously donated to the charity as a legacy gift. This surplus will be crucial in ensuring the sustainability of vital care services amid ongoing economic challenges. While this strengthens our financial stability, continued support and ongoing donations remain crucial to maintaining and expanding our services to reach even more families.

As Royal Patron of CHSW since 2015, we were delighted to welcome Her Majesty The Queen to Charlton Farm, being the last of CHSW's 3 hospices for her to visit. We are tremendously grateful for Her Majesty's official patronage and continued commitment to our vital work.

We extend our heartfelt thanks to our incredible staff, dedicated volunteers, generous supporters and the wider community, whose unwavering commitment and compassion continue to make a profound difference in the lives of the babies, children, young people and families we support.

Tricia Morris
Chair of Trustees

Eddie Farwell MBE
Co-Founder and Chief Executive Officer (CEO)

A personal message from Tricia, our Chair of Trustees

This year has been a pivotal time for CHSW, marked by reflection and planning as Eddie announced his retirement, effective from April 2025, after more than 30 years of dedicated service as Co-Founder and CEO. Together with his late wife, Jill, Eddie and his family have built the charity's compassionate care vision into 3 hospices providing critical support across the region. The Board of Trustees has expressed deep gratitude for their remarkable service and leadership over the years.

As we move into the next phase of CHSW's journey, our priorities include ensuring a smooth leadership transition and expansion of our vital services to respond to the needs of families.

We remain committed to our mission and will strive to build on the solid foundation laid over the past decades.

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Trustees' report (including the strategic report) for the year ended 31 March 2024

Our objectives and activities

Our purpose, vision and ethos

Our purpose is to make the most of short and precious lives and to put babies, children, young people and their families at the centre of all we do.

Our vision is to provide high quality care to every baby, child and young person in the South West who may not live to their 18th birthday.

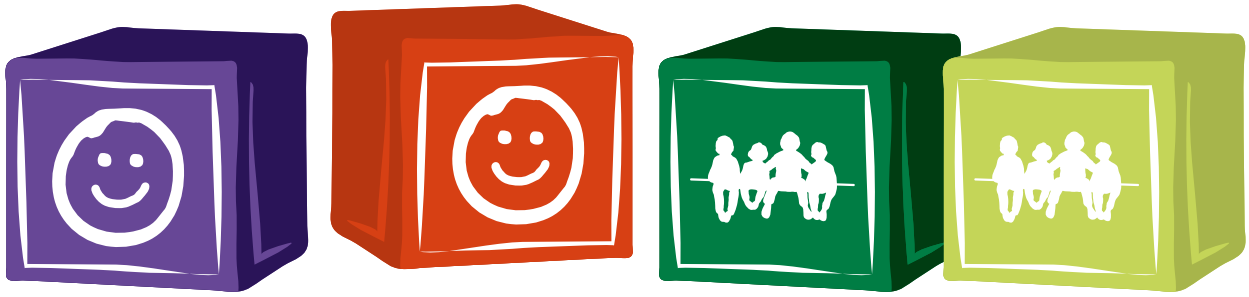
Our ethos is to ensure that everyone (Trustees, staff and volunteers) places babies, children, young people and their families at the centre of the organisation.

To achieve this, everyone will be expected to promote a strong, caring, community environment, characterised by a culture of sensitivity, trust, consideration and respect for others.

Organisational principles

Our ethos gives rise to a set of principles which determine how CHSW as an organisation operates on a day to day basis. We will:

- Be an organisation which places babies, children, young people and their families at the heart of all that we do
- Continually engage with and listen to our children, young people and families, employees, volunteers and supporters
- Ensure that diversity, integrity, quality and respect are an integral part of all that we do
- Ensure that all staff, volunteers and supporters are valued and appreciated
- Ensure that everyone has the tools to do their job and is provided with appropriate opportunities to develop and gain new skills
- Be ethical, open, honest and compliant in all that we do
- Be one organisation with common goals while tailoring services to individual families, and according to individual need
- Work collaboratively with our colleagues and external partners
- Spend the money we raise wisely with our focus being on the care we provide
- Be safe, efficient and environmentally aware.



Our core values and behaviours

Everyone working for, or on behalf of CHSW will act to or with:

Care and respect for each other:

- Recognising and accepting our responsibility for safeguarding babies, children, young people and adults, protecting them from harm
- Acting fairly and with consideration, treating others as we would wish to be treated ourselves
- Finding out what other colleagues do, encouraging them and recognising the value that each brings to the organisation
- Embracing and recognising the importance of difference and diversity.

Honesty, openness and accountability:

- Behaving with openness, integrity and honesty
- Communicating swiftly and openly and listening to the views of others respectfully
- Taking responsibility for your own actions and being accountable for them
- Sorting out mistakes and concerns swiftly and without fuss.

Strive for excellence:

- Seeking to continuously develop and improve for your own benefit and the charity
- Always protecting the reputation of the charity
- Celebrating success.

Work together:

- Ensuring dynamic and harmonious team working to achieve success
- Working with and involving our families, supporters and volunteers, understanding who they are and what their needs might be
- Making the best use of organisational resources; having regard for sustainability, efficiency and respect for the environment.

Our strategy

In July 2024 a review and revision of our strategic objectives was undertaken by the Board of Trustees, recognising the transitional period the charity was entering with the retirement of Eddie Farwell, our Co-Founder and CEO, and the recruitment and introduction of his replacement.

The Board of Trustees identified several key strategic priorities extending from 2024 to 2026 with an intended review early in 2026.

These key priorities include:

- To embed, define and communicate our current and developing care offer to all staff, current (and potential) families and referring professionals
- To define, measure and evaluate the effective use of our hospice sites and people resources to enable us to develop further plans to continue to give responsive, effective, safe and high-quality care to babies, children, young people and their families
- To produce a revised and responsive income generation strategy which maximises new opportunities and maintains and grows commitment to our communities
- Make the best use of digital and integrated data capture processes to robustly and accurately report the impact of our work to all internal and external stakeholders, while informing plans for the future
- Understand and qualify the extent of the 'unmet need' across the South West by undertaking authentic and wide-reaching consultation with families, healthcare professionals and providers
- To have a key voice as one of the UK's leading providers of palliative care for babies, children and young people, by actively engaging in, driving and participating in research, sector-wide review and the shaping of future provision.

Public benefit

The Board of Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives. The benefits are clearly set out in the achievement section on page 8 to 9. The Board of Trustees review the activities of the charity against its aims and objectives on an ongoing basis and are satisfied that all activities continue to be related to its purpose. The beneficiaries are babies, children and young people living with life-limiting and life-threatening conditions and their families. A referral process is in place, with clear guidance on criteria, to ensure that those who meet the criteria are offered support by the charity. Our public services are supplied free of charge.

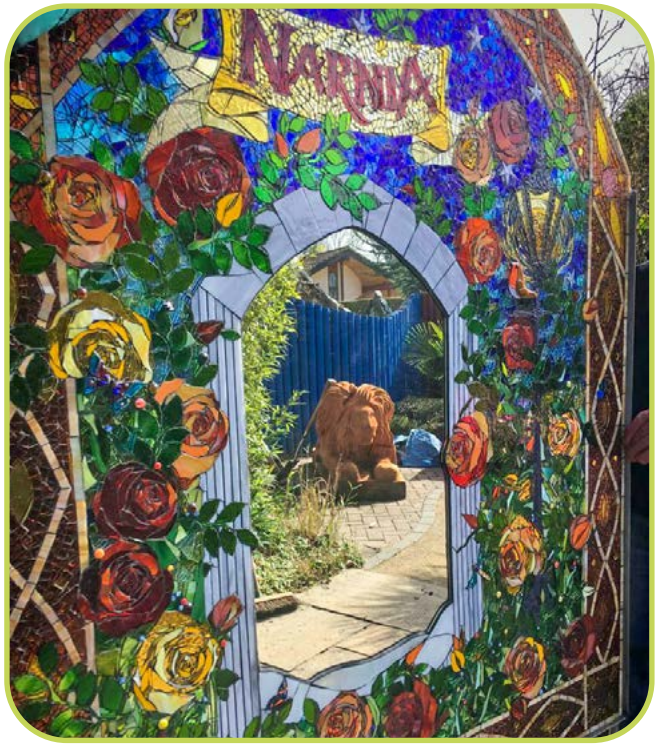
Our achievements in 2023 to 2024

2023 to 2024 objectives	What we achieved
1 We will develop and grow our clinical expertise to meet the changed nature of demand. We will offer families more flexibility about how they access our care and where they wish to be at the end of life. We will continue to develop and increase the ways we engage with families and increase mechanisms to gather service user feedback.	With the appointment of a Lead for Clinical and a Lead for Education and Development, we have ensured that our care and support remains safe, up to date and responsive. Our Senior Care Leadership Team has strengthened and collaborative working at all 3 hospices has provided strong, robust leadership, enhancing the development of the workforce. Senior Team Leaders have supported a comprehensive competency training programme.
2 During the year, we will implement a digital clinical records system as part of the Care Clinical Information System (CIS) programme.	Our new Care Digital Team have successfully implemented a digital CIS. This has enabled data transfer, staff engagement and training, evaluation and feedback. In doing so, we have helped NHS England to achieve 80% of service providers using CIS by April 2024.
3 We will progress our recruitment and retention strategy, with a focus on nurses. We will promote and evaluate the success of our changes to terms and conditions; extend our search outside the South West by attending recruitment fairs out of the region; and promoting lifestyle relocation.	Following our new Recruitment and Retention Strategy, we are pleased to report a doubling in the number of nurses recruited last year. We attended 2 recruitment fairs and targeted social media campaigns and on-site nurse recruitment events, supported by our improved Terms and Conditions and the Refer a Nurse Friend Scheme.
4 To continue to develop and evolve our workplace health, safety and wellbeing plans with particular focus this year on workplace culture. To do this we will respond proactively to the relevant findings from our bi-annual staff survey, and work collaboratively to assess our strengths and where change will be positive.	Following the Staff Survey in June 2023, we have been working with staff to explore the meaning of culture and the impact of change at CHSW. We have held sessions across the charity to hear and understand what our staff and Trustees value about CHSW. Our findings will be the foundations of our CEO recruitment process this Autumn.
5 We will develop and embed new stewardship plans across all fundraising methodologies, from event participation, business partnerships and community engagement, to individual giving, lottery subscriptions and gifts in wills.	We have tested a range of approaches throughout the year to ensure that thanking our supporters (across all areas of fundraising) remains central to all we do in fundraising. We will continue to develop these programmes moving forward.
6 We will develop new tools to share our impact, enabling people and organisations to see the difference their support is making.	We have created a full suite of 'money handles' that demonstrate the difference donations make. These have been well received and will be revised and shared annually.
7 Continue to support individual relationship development with our growing supporter base, through the implementation of a website and database software upgrade.	A website and database software upgrade have been completed during 2023 to 2024, these upgrades will allow greater opportunities for individualised and targeted communications.
8 To complete our shop refurbishment and relocation programme, utilising the new open plan format where possible. To roll out a new Electronic Point of Sale (EPoS) system aimed at improving Gift Aid recovery. Under a new retail strategy, we plan to start a programme of new shop openings.	We completed 6 shop refurbishments taking the total under this strategic objective to 10. We have 4 more to complete in 2024 to 2025 which will finish this strategic program. We implemented a new EPoS system. Which has helped to increase retail Gift Aid recovery now up to 45%. In the second half of 2024 to 2025 we are planning to open 2 new shops taking the CHSW retail fleet to 40 shops.

Our key objectives for 2024 to 2025

We plan to achieve the following key objectives:

1. Define and publish our care offer to all stakeholders
2. Review and improve the way we capture care activity and report progress against newly defined Key Performance Indicators (KPIs)
3. To research and test new opportunities for income generation which will feed into a new income generation strategy
4. Setup a management information project to define business reporting needs and begin to develop a centralised, real-time information hub
5. To extend the end of life at home pilot project in the Bristol area for a further year to allow time for meaningful evaluation. Alongside this we will conduct a feasibility project to investigate how end of life in the home could be delivered across the region
6. Develop a framework and strategy to inform our research ambitions.



CHSW hospice activity levels from April 2023 to March 2024

CHSW cares for babies, children and young people of all ages, from neonates to teenagers, and can continue to care for some very poorly young adults who are in the end stages of their life. Below details the care and support activity in the hospices from 1 April 2023 to 31 March 2024.

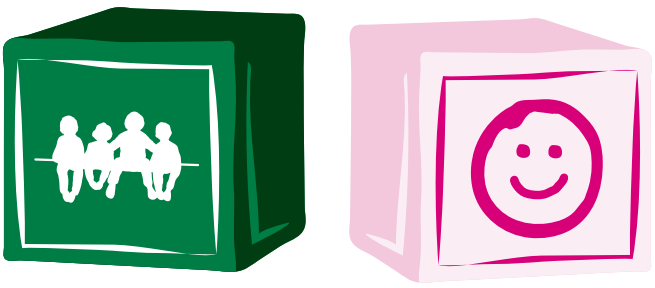
6,994
total hospice bed nights and visits

4,328 family member bed nights + **2,157** babies, children or young people bed nights + **406** day visits + **103** Starborn nights*

*Starborn is the name given to the temperature controlled room in CHSW hospices that babies, children or young people stay in after they have died.

2,733 parent or carer bed nights + **1,595** sibling bed nights

1,952 hospice bed nights + **205** emergency bed nights



How our 3 hospices support the whole family

Family support, holistic care and wellbeing support

During the past year, the focus has been on continuing the holistic support provided to babies, children, young people and their families. We appointed a Lead for Children and Families, who works alongside the Deputy Director of Care (Children and Families), and takes a safeguarding lead, along with the Team Leaders for Family Support in each hospice. These appointments were made in recognition of the wide-ranging care and support offered to families who are supported by CHSW, and the aspiration to develop them further. It is anticipated that these roles will provide a clear infrastructure, and an overarching offer of support, while ensuring that the needs of families in the South West are met.

Music Therapy

Our Music Therapists offer time to support babies, children and young people receiving care, their parents, siblings and CHSW staff. They engage in co-composing music and co-creating lyrics, using music as a means of engagement (such as with bereaved siblings) and providing an opportunity for relationship building and access to support and safety to explore grief. Music Therapists can be responsive, having the freedom to work flexibly to meet the needs of individual children, young people and their families.

Alex, opposite, had a wonderful jamming session at Little Harbour and demonstrates how music is really effective at allowing children and young people to express themselves.

Examples of how Music Therapy has been used during the past 12 months include:

- Joining in with a toddler group in the hospice, providing an inclusive and accessible opportunity to experience Music Therapy
- Offering relaxation sessions in groups for bereaved parents
- Using music as a means of responding to low mood, anxiety, and reluctance to attend school
- Using music to provide a sense of achievement in the face of extensive chemotherapy
- Entertainment, distraction and fun
- Access to a medium that might otherwise be unattainable
- To enable movement through rhythm that is otherwise limited or restricted
- Working collaboratively with other holistic team members, in the hospice, at home or virtually (such as in-reach when babies, children or young people are in hospital)
- Using technology to enable young people with even the most significant of physical immobility to create music by way of manoeuvring an electric wheelchair across the sensors of a 'sound beam'

> "Music Therapy sessions at our 3 children's hospices open up wonderful possibilities for engagement and interaction. Children will often leave the sessions with a big smile on their face, having achieved something they never thought they could."
>
> Ceridwen,
> CHSW Lead Music Therapist

- Engaging the Care Team in music-based activity continues to bring joy to the wider teams, particularly around Christmas
- Providing bereaved parents with video footage of their children engaging in music sessions can bring positive memories of them accessing emotion, physicality, spirituality, psychological wellbeing and social engagement.

Sibling Support Teams

In each hospice, we have a dedicated team who work to meet the needs of the siblings of babies, children and young people receiving care. They provide an opportunity for siblings to meet others who understand their unique family situation, who have been bereaved following the death of a sibling or who live with a sibling who has a life-limiting condition and has complex needs that take up much of the family's time. Meeting others, having fun, sharing stories, concerns and worries, and feeling understood can enable the development of meaningful connections and friendships.

Our support offered by the Sibling Support Teams has valuable therapeutic benefits, providing understanding without the need for explanation. A favourite activity is a Teenage Weekend.

During a weekend stay at Charlton Farm, 2 siblings (left) who had never met before struck up a friendship. They spent lots of time playing in different areas, including the music room and soft play. This inspired them to write a song, and perform it for the Care Team, about their stays at Charlton Farm, and how much they both love spending time there. This example of peer relationships is part of what the Sibling Support Team offer and encourage.

Feedback received by the Sibling Support Teams during the past year include:

> "I am writing to you and just want to say a huge thank you for helping me get through this difficult time, and for making the knickerbocker glory with me. Thank you for being my friend."

> "During our stay there was another family with the same number of siblings and our children all played together. The Sibs Team were fantastic and went with the flow making sure they had opportunities to have the best time together."

> "A huge thank you for the chat the other day, it has calmed my mind greatly. Thanks too for sending the wonderful package for my sibling, she was a bit blown away by it!"

Our Sibling Support Teams develop relationships with siblings of babies, children and young people receiving care from CHSW, making and maintaining connections in the hospice, at home and virtually, working to understand individual needs and enable access to support for all siblings. Sometimes they might arrange to meet in another venue in the community if this better meets the needs of the baby, child or young person.

The teams offer support to parents around their grieving children following the death of their sibling, offering advice and a listening ear when the grief feels overwhelming. This invaluable support is also available to schools. They also join with Care Team visits to babies, children and young people in hospital, providing time-out for siblings.

Bereavement support

The teams at the 3 hospices continue to respond to the needs of bereaved family members. This includes individual or group support, advice, help with navigating funeral arrangements, hand casting, remembering events and activities, and continued contact with CHSW.

The 'Dads in the Loop' group for bereaved dads and male carers is a walking and talking group. This beautiful photograph was taken on a recent walk in Cornwall, 2 beautiful rainbows as 2 bereaved dads took in the sight. A dad in this group commented:

> "I know we were only a small group, but it was a chance to reset, recharge and recalibrate with nature, coffee and cake - a great combination!"

Our teams take time to understand the spiritual needs of families. One of our nurses refers to the following quote to define how we do this:

> "Spirituality is recognising and celebrating that we are all inextricably connected to each other by a power greater than all of us, and that our connection to that power and to one another is grounded in love and compassion. Practicing spirituality brings a sense of perspective, meaning and purpose to our lives."

This might manifest in several ways in our hospices:

- Meeting the faith-based and religious needs of families by connecting with faith leaders and welcoming key members of families' faith groups into the hospice
- Enabling christenings and other meaningful rituals to take place, where possible
- Encouraging and welcoming support from local communities, granting wishes to children and young people where we can
- Finding ways of connecting with children, young people and families using sensory methods rather than words
- Supporting parents, siblings and other family members through their bereavement
- Opportunity for informal contact with faith leaders, such as during lunch. This is of benefit to both families and staff
- Attending funerals at the family's request, providing music, songs and art created by their child
- Remembering days and events, in 1 hospice bubbles are released for each baby, child or young person who has died.

The difference CHSW makes

Permission has been sought and obtained from the parents to tell their child's story.

Kelvin and his family visit Little Bridge House

The Care Team tell Kelvin's story:

"Back in the Summer of 2019, the Care Team organised a day of activities based around 'We're Going on a Bear Hunt.' We baked biscuits for our picnic lunch, and we put up a big black tent and made it into the Bear's Cave and acted out the Bear Hunt story with actions and music. It was really fun, and as a team we all embraced and enjoyed the day.

Kelvin and his family joined us that day. His family made a biscuit with Kelvin using his handprint, they decorated it and wrote his name on it using icing. t looked so beautiful. Mum and Dad, Georgina and Corey, took it home and kept that biscuit safely in a drawer. When the family came in for a visit in June 2023, almost 4 years later, we asked if they would like to do some music again, they said they would love to, and Georgina and Corey immediately remembered and recalled all the wonderful activities they did with us on that Bear Hunt day. Georgina told staff that she had kept Kelvin's biscuit safe for 3 years! One day, not long ago, Georgina took it out of the drawer just to look at it, and she dropped it and sadly the biscuit broke, Georgina was devastated. She felt guilty that she had not made something more permanent, such as a picture using Kelvin's handprint.

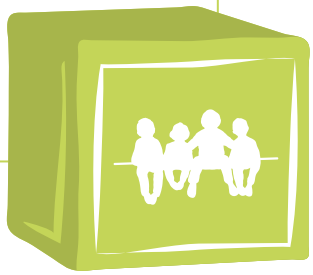
We, as a team here at Little Bridge House, immediately sprang into action and shared ideas about how we could help Mum and Dad make memories to treasure. We agreed on our plan, having come up with the idea of asking each family member if they would like to make a handprint on paper. These were then used to make a beautiful family tree picture which we framed and gave to the family to hang at home. They absolutely loved it, the smiles on their faces and the gratitude expressed gave us great pride.

"t 's just great, thank you so much! t 's an amazing thing to have with all of us in there. We'll find somewhere really special to hang it."

One of our Care Team was also able to make an imprint of Kelvin's hand and foot using air-dry clay which we then framed for Mum and Dad as a lasting memory for years to come.

The family also went on to attend one of our music sessions with our wonderful Music Therapist and team. As a team, we laid out a Jungle Trail Treasure Hunt outside, and the whole family went around the garden, finding and collecting treasure while making beautiful music as we went around. t was great fun, and Kelvin ended up with all the treasure animals!! Another wonderful memory for the family (and us) to cherish in years to come.

These memories are a daily reminder of the special impact we have in the everyday activities we offer at Little Bridge House!"



Arlo and his family visit Little Harbour

Mum, Kate, tells Arlo's story:

"What Little Harbour means to me and my family. As a family, we've been using Little Harbour since Arlo was diagnosed back in August 2022. For us it's been a place where you can recoup your thoughts and express your worries without judgment, it's a place to get that much needed missed sleep. It's a place where you can switch off from all the medical care and know that your child is being cared for by the most wonderful staff. It's a place where you don't need to cook, and you can focus on that much needed self-care. It's a place where Arlo's big brother can just have fun, feel safe and have quality family time. We're extremely thankful for all the support Little Harbour has given us as a family and continues to give us in the future."

Emily and her family visit Charlton Farm

Mum, tells Emily's story:

"In June 2023, we had a family hospice stay at Charlton Farm, our first since September 2022. From the moment we arrived, Emily looked around, gave the hugest grin ever and squealed with excitement! This continued as we went inside, and Emily promptly marched up to the bedrooms in her walking frame and then proceeded to explore the whole house, her grin never moving from her face, she was definitely happy to be back. I don't think she stopped smiling the entire time we were there!

The rest of us were equally happy to be back, the sense of relief that hits you as you walk through the door, knowing you can switch off from all the caring and just be yourselves for the weekend is quite amazing. Seeing Emily so happy and relaxed, engaging with all the wonderful staff who looked after her, really helped me to relax which is something I am rarely able to do at home. I even found time to read a whole book, and James and I got out for a lovely walk around Portishead Marina, not needing to worry about what time we got back, a rare treat for us indeed! When back at Charlton Farm, James relaxed in the best way he knows, playing the piano, much to the delight of the staff!

Bethan had a wonderful time with the Sibling Support Team, with the bonus of a day looking after baby bunnies, which made it worth having had a day off school! She did some lovely activities and had some good chats; we could see it had done her an awful lot of good. A family session in the hydrotherapy pool was also very much enjoyed by us all.

We all went home feeling rejuvenated. It is hard to put into words how much our stay meant, I think we all felt a little lighter in our step, just having been looked after, having had time to relax and seeing the girls both having fun. Thank you Charlton Farm!"

Income generation

Thank you for making so much possible!

Once again, this past year has been characterised by the overwhelming support of the people and organisations of the South West, and beyond! Together, we have ensured that we can be there to support babies, children, young people and their families when they need us most.

We have enjoyed a full calendar of events, including the CHSW Bear Hunt that saw 25 brightly coloured bears bringing joy to people across North Devon throughout the summer. Our Ride for Precious Lives had a record-breaking year with **more than 100 cyclists raising more than £320,000!**

Our local fundraising continues to be the beating heart of CHSW, and we are so grateful for every community group, school and local organisation that has played their part this year. Our particular thanks go to our incredibly committed Friends Groups who continue to fly the flag for CHSW with such gusto.

This year has seen the relaunch of our CHSW Business Club and we have been delighted to continue our work with so many committed companies across the South West as well as welcoming many new friends. In addition, companies have given their support through event sponsorship, volunteering days, Charity of the Year partnerships and longer term pledges of support.

In a year where the cost of living crisis impacted many people, we have been grateful for the generous support of individuals with one-off donations and regular gifts. We are also delighted to report that we now have more than **20,000 players in our weekly Raise a smile Lottery!**

Gifts in wills continue to play an important part in funding the care we offer, now and in the future.

Our shops have continued to enjoy the fantastic support of our local communities from donors and customers and have generated a **record income of £5.6m** during the year. This was helped by the refurbishment of a number of our shops during the year and the introduction of our new till system which now means that customers are aware of the CO2 being saved from their purchase alongside the contribution to the care of the hospices!

Here are some of the highlights:

£1m received from generous donations from Charitable Trusts and Foundations.

Over **20k** players in our Raise a smile Lottery raising more than **£1m**.

£3.8m raised from voluntary fundraising. This includes **£3.2m** from supporters making donations of all sizes, and **£630k** raised through CHSW events.

£4.5m received from people who chose to remember CHSW with a gift in their Will.

£5.6m raised in our 38 charity shops, turning pre-loved clothes and goods into precious memories.

Thank you to our wonderful volunteers, young and old!

We simply couldn't do all that we do without our fabulous volunteers! This year hundreds of you have been part of the action in our shops, at our events, shouting about CHSW in your community, supporting bucket collections and much more!

From the very youngest to the very oldest, including 90 year old Helston shop volunteer Pearl! We are so grateful for all you do.

Our financial performance

The consolidated financial statement comprises the results of the charity together with those of C H S W Promotions Limited, a wholly owned subsidiary, which donates its profits to the charity. The consolidated statement of financial activities is set out on page 24.

Donations and legacies amounted to **£9,345,067** (2023 restated: £11,871,619), income raised from charitable activities (statutory income sources) amounted to **£2,701,253** (2023: £2,325,395), trading activities (including retail and Raise a smile Lottery) generated income of **£6,594,414** (2023: £6,122,948), investment income was **£975,118** (2023: £712,423) and other income **£13,705** (2023: £48,422).

Total income for the year was **£19,629,557** (2023 restated: £21,080,807).

Total expenditure for the year amounted to **£19,545,853** (2023: £16,824,702). This resulted in an operational surplus of **£83,704** (2023 restated: £4,256,105). Total net gains on investments, property and land was **£4,417,038** (2023: net gains £118,375) and therefore net income for the year was **£4,500,742** (2023 restated: £4,374,480).

Consolidated in the above figures C H S W Promotions Limited, a trading subsidiary, has a turnover which amounted to **£357,305** (2023: £353,396) and a profit after taxation of **£4,331** (2023: £22,657). The company will donate this amount to the charity.

During 2023 to 2024, we were very grateful to receive a continued high level of legacy donations albeit this was £1.9m lower than the previous year. Our legacy income in 2023 to 2024 amounted to **£4,537,020** (2023 restated: £6,418,035) which is more than 23% of all our income. In 2023 to 2024 we changed our legacy accounting policy and now include legacies within any financial year based on the earlier of the date funds are received or the date of receipt of final estate accounts. The new methodology reduces the judgement around legacy recognition and is common practice for similar not for profit organisations.

The impact of the UK cost of living crisis impacted some areas of CHSW's fundraising throughout the year and we noted a fall in individual donations from the previous year of just over £1 million. This was felt across some of the community events and activities that are often staged in support of local charities including CHSW. With costs rising some of these long-standing events were cancelled or the profits available to distribute to local causes were much lower. In addition, this year-on-year fall was due to having 2 exceptionally large in memoriam gifts, the value of which was not replicated in 2023 to 2024.

Where we received our income

Trading - lottery and shops
£6.6 million - 34%

Legacies
£4.5 million - 23%

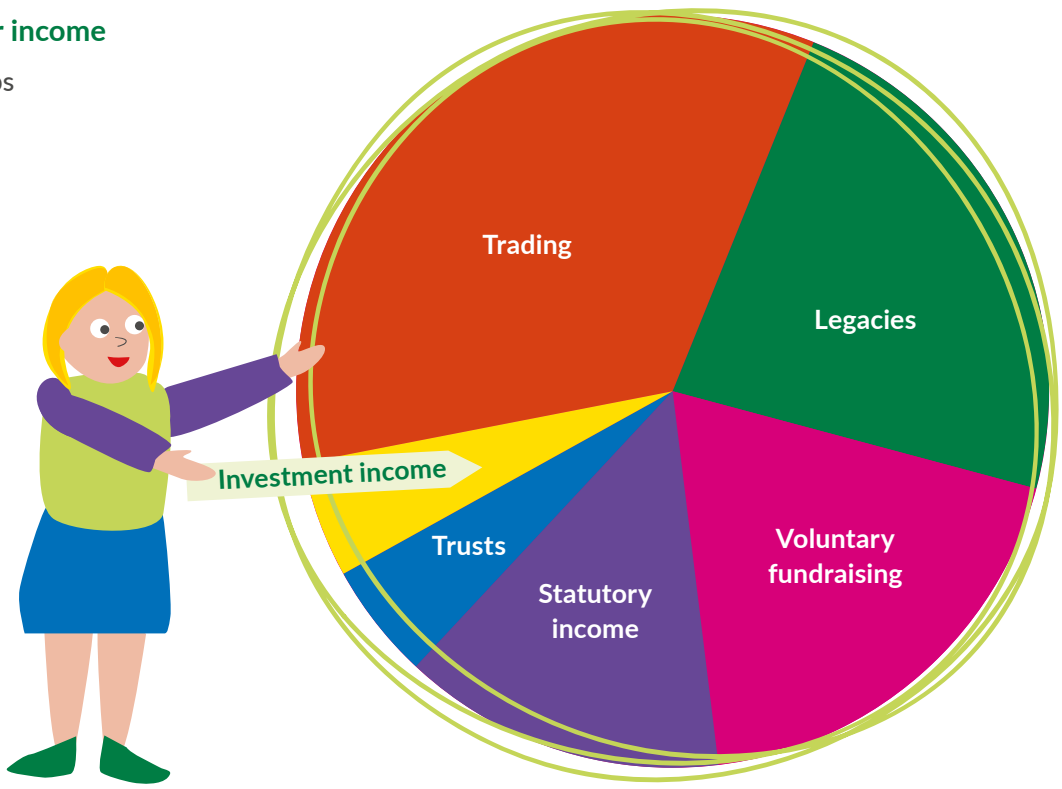
Voluntary fundraising
£3.8 million - 19%

Statutory income
£2.7 million - 14%

Trusts
£1 million - 5%

Investment income
£1 million - 5%

Total - £19.6 million



Our shops have continued to trade very strongly as they benefit from fantastic local community support together with the ever increasing public interest in making sustainable purchases. Total shop income (including related Gift Aid receipts) achieved its highest levels ever at nearly **£5.6 million** as compared to £5.2 million in 2023 to 2024.

Following investment in lottery canvassing activity we are pleased that our Raise a smile Lottery income reached **more than £1 million** for the first time in 2023 to 2024 (2023: £895,727).

In February 2024, land in Yatton, North Somerset that had been gifted to the charity in 2000, was sold to a housing developer for £4.1 million. The land had been revalued upwards by £1.5 million in 2022 to 2023 from its agricultural value to reflect its hope value following obtaining planning permission on the land. Following its disposal, a gain of £2.4 million was created in the 2023 to 2024 accounts. The charity retains ownership in one property in the new housing development alongside a strip of land bordering the development site. We are very grateful to the donor of the land and following their wishes have restricted the funds generated to care of babies, children, young people and families at Charlton Farm.

During the year, the market value of investments held by the charity increased by more than £2 million reflecting the global upturn of equities and bonds during 2023 to 2024. This gain was particularly welcome following a significant loss on investments of £1.4 million during the previous financial year.

Our expenditure during the year in relation to the care and support we provide, increased by more than 23% on the previous year. This reflects the investment in new professional care roles together with increased activity and support given at all 3 hospices. Costs for the charity have inevitably increased with global inflationary pressures, cost of living demands and the impact of National Living Wage statutory increases.

Notably, during the year our operating income and costs have largely been matched, with a relatively small net income of £83,704 generated. However, the significant overall positive movement of funds of £4.5 million during the year has been the result of gains in our investments as previously mentioned.

While this is a very positive financial position, we are very mindful of the continuing impact of the cost of living crisis and the corresponding pressure on the wage inflation forecast for the coming years. It is anticipated that the surplus generated in 2023 to 2024 will be used to support the charity during the ongoing economic challenges and to ensure the continuance and investment of its care delivery into the future.

Where we spent our income

Trading activities
£5.1 million - 26%

Charlton Farm
£4.5 million - 23%

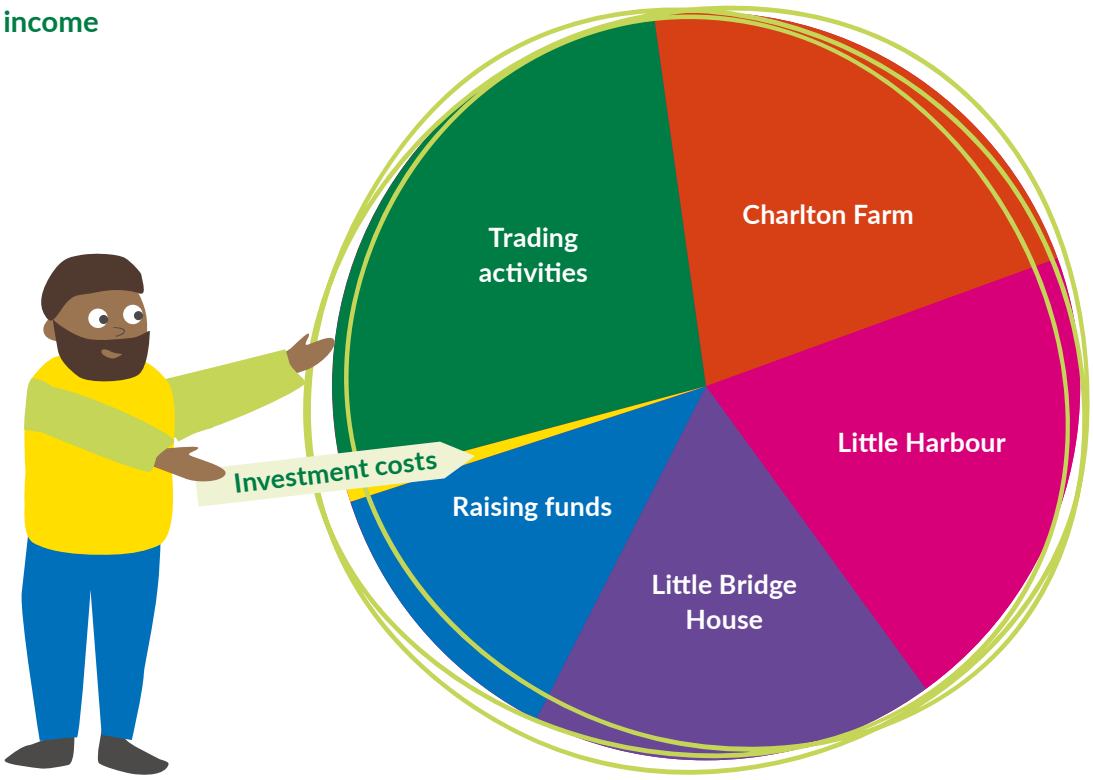
Little Harbour
£3.9 million - 20%

Little Bridge House
£3.6 million - 18%

Raising funds
£2.3 million - 12%

Investment costs
£0.1 million - 1%

Total - £19.5 million



Our financial reserves

We recognise our commitment and moral obligation to the babies, children, young people and families who currently use our hospices, will extend many years into the future. It is imperative, therefore, for us to maintain unrestricted general reserves at a level that will ensure the continuity of the unique care provided by the charity while recognising that the charity is facing a period of significant economic uncertainty.

In establishing the CHSW reserves policy, we have taken guidance from the Charity Commission's guidance CC19, to use an integrated approach for an organisation with complex activities and structures. This involves projecting cash flows during the next 3 years and identifying key risks associated in this period, with income and expenditure, while also considering already committed expenditure. From this work, looking forward to 2024 to 2025, it has been determined that CHSW should maintain a target range of unrestricted general reserves between **£15,131,388** and **£17,742,257**.

The charity's unrestricted general funds (free reserves) were at a level of **£17,409,373** (note 23) as of 31 March 2024 (2023 restated: **£17,753,484**). We note that the group's unrestricted general funds are within the target range set above.

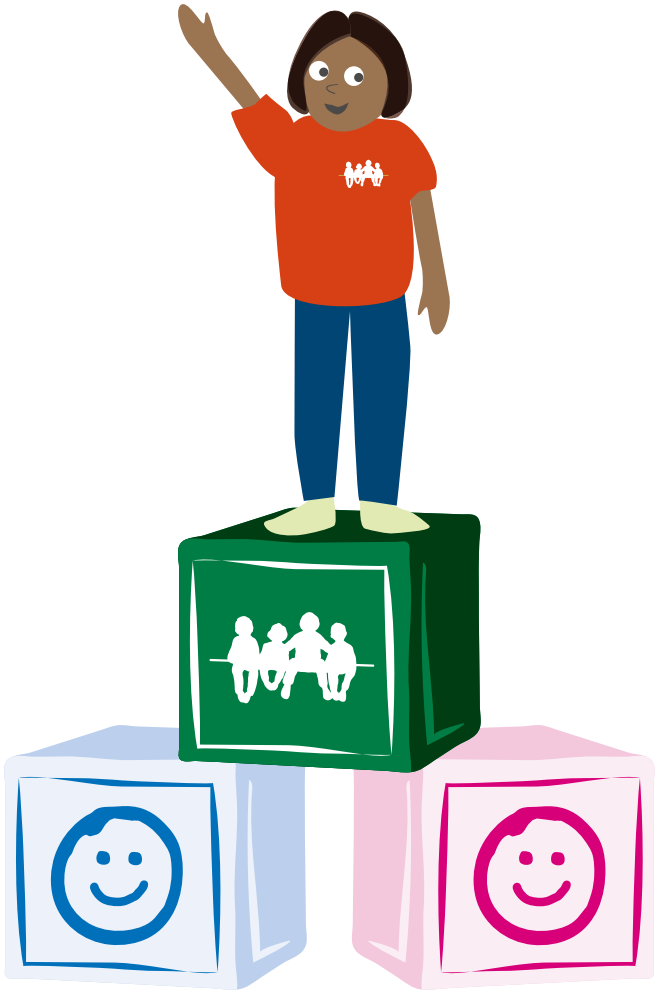
Unrestricted designated capital funds are **£19,609,177** (2023: £19,504,312) and represent the net book value of the unrestricted tangible and intangible fixed assets of the group.

On 14 July 2022, the CHSW Care Endowment Fund (CCEF) was formally and legally set up to provide an additional income stream from long-term investments to support future care developments and reduce future dependence on fundraising and trading activity. The need for this fund had been highlighted during the COVID-19 crisis where voluntary and trading incomes were vulnerable. The CCEF is expendable and will be used to finance operational and developmental opportunities in care if unrestricted general reserves fall below their required lower target level. On 31 March 2024, the CCEF amounted to **£13,345,694**. During the year £1,713,987 was designated to the CCEF in the 2023 to 2024 year.

Our investment approach

The charity's investment policy requires CHSW to invest funds in such a manner that the risk profile reflects planned expenditure and future plans.

In 2019, we secured the services of an external independent investment advisor to undertake an investment risk profile review and to provide an ongoing expert assessment of the performance of our appointed investment managers. At the beginning of the 2020 to 2021 financial year, as part of good governance, a formal retendering process in relation to investment management services was undertaken, which included a review of investment performance and charges. As a result of this work, LGT Wealth Management and Sarasins & Partners LLP were appointed as CHSW investment managers. As part of this restructuring of investment managers, CHSW investments were rebalanced and divided into a lower and higher equity exposure fund allocation. The minimum performance requirements of these invested funds have been set as Consumer Price Index (CPI) +3% for the lower equity exposed fund and CPI +4% for the higher equity exposed fund. CHSW review the long term performance of investments in line with this policy to ensure targets are met.



How we manage risks and uncertainties

CHSW has a clear Risk Management Framework in place, overseen by the Trustee Governance Assurance Committee, as delegated by the Board of Trustees. CHSW undertake a continual assessment of the principal risks facing the charity and is satisfied that adequate preventative and mitigating measures are in place to reduce the risks to an acceptable level.

All risks identified are recorded on the CHSW Strategic Risk Register and scored based on impact and likelihood in line with the Charity Commission's guidance CC26; based on the scores, the risks are prioritised using a Red, Amber or Green rating.

The CHSW agreed process for reviewing risk, is as follows:

- The Senior Management Team (SMT) will meet weekly to monitor and review current risks; and share, record and escalate any new or emerging risks as appropriate
- SMT will meet with the Risk Management Committee every quarter where the risk register is reviewed and updated. Identified risks may be added to the register at any time
- Each item on the risk register is owned and overseen by the relevant Assurance Committee as a standing item at each of their meetings (currently 3 times per year)
- The Governance Assurance Committee will take assurance from the Chairs of each Committee that their relevant risks have been reviewed and mitigated to satisfactory levels
- Where assurance cannot be given, further review/ oversight or Internal Audit may be recommended or pursued
- The Governance Assurance Committee will report to the Board of Trustees annually.

We are currently being supported by an external partner to review and improve our risk management processes.

Current red risks

Recruitment: The recruitment and retention of children's nurses remains an ongoing and challenging red risk for CHSW despite seeing significant improvements in the last 12 months. The 2024 to 2025 strategy includes:

- Closer liaison with our Heads of Care to hear the messages from the different hospices to create bespoke recruitment plans to meet the differing environments
- Refresh adverts accordingly
- Review the job descriptions for potential barriers
- Extend the on-site recruitment open days to all 3 hospices
- Progress with our social media options
- Progress with our 'grow your own' strategy currently in development.

Risk of safeguarding issues arising: Safeguarding is the top priority at CHSW with stringent policies, procedures and mandatory training for all staff up to Safeguarding Level 5. A whole day was given to safeguarding during our annual 2023 to 2024 Care Conference, and Trustees have spent time with our new Safeguarding Lead to seek assurance following the change in leadership. We continue to:

- Be vigilant and diligent
- Audit our policies and practices carefully
- Embed our values and behaviours to reflect our ethos, legal responsibilities and duty of care.

Risk of cyber security: We are aware of the proliferation of sophisticated cyber attacks using artificial intelligence. This has made detection of attacks much harder as they appear to be genuine. In response, we are taking the following action:

- Successful completion of the annual NHS Data Security Toolkit
- Completion and passing of the government standard Cyber Essentials.

We are currently working on:

- The enhanced Cyber Essentials Plus certification
- Onboarding the Arctic Wolf cyber security operation centre, which includes staff training exercises and a cyber risk management system.

A further risk identified in 2023 to 2024 is that of our suppliers being compromised leading to data loss or proliferation of malware from seemingly safe partners. Increased staff awareness and enhanced detection will help to keep us safe as well as carrying out checks on our suppliers to ensure they meet the necessary standards, such as Data Protection Impact Assessments, ISO 27001 or Cyber Essentials.

Included on page 54 to 57 are the charities structure, governance and management, reference and administrative detail and fundraising disclosures which also form part of this report.

Statement of Trustees' responsibilities

The Trustees (who are also Directors of CHSW for the purposes of company law) are responsible for preparing the Trustees' Annual Report (including the Strategic Report) and the financial statements, in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable 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 charity's Statement of Recommended Practice
- Make judgements and estimates that are reasonable and prudent
- State whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions, 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 and the provisions of the charity's constitution. They are also responsible for safeguarding the assets of the charity and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

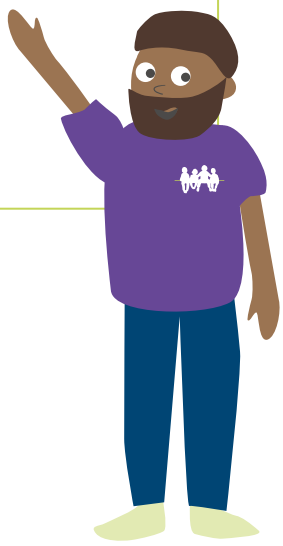
Disclosure of information to Auditors

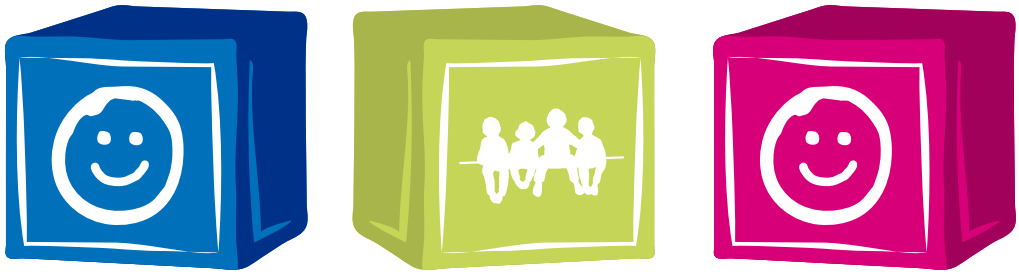
Insofar as each of the Trustees of the charity at the date of approval of this report is aware, there is no relevant audit information (information needed by the charity's auditor in connection with preparing the audit report) of which the charity's auditor is unaware. Each Trustee has taken all of the steps that he/she should have taken as a Trustee in order to make himself/herself aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

Approval

This report, incorporating the strategic report, was approved by the Board of Trustees on 10 October 2024 and signed on its behalf:

Tricia Morris
Chair of Trustees





Financial statements

Consolidated statement of financial activities

Including income and expenditure account for the year ended 31 March 2024

	Note	Unrestricted funds 2024 £	Restricted funds 2024 £	Endowment funds 2024 £	Total funds 2024 £	Total funds 2023 (as restated) £
Income from:						
Donations and legacies	1	7,861,143	1,483,924	-	**9,345,067**	11,871,619
Charitable activities	2	38,453	2,662,800	-	**2,701,253**	2,325,395
Trading activities	3	6,594,414	-	-	**6,594,414**	6,122,948
Investments	4	919,113	56,005	-	**975,118**	712,423
Other income	5	7,491	6,214	-	**13,705**	48,422
Total income		**15,420,614**	**4,208,943**	**-**	**19,629,557**	**21,080,807**
Expenditure on:						
Raising funds	6	2,340,530	-	-	**2,340,530**	2,034,869
Trading activities	6	5,077,090	-	-	**5,077,090**	4,928,079
Investment management fees	7	112,689	-	-	**112,689**	107,385
Charitable activities	8	7,606,400	4,409,144	-	**12,015,544**	9,754,369
Total expenditure		**15,136,709**	**4,409,144**	**-**	**19,545,853**	**16,824,702**
Net income/(expenditure) before net gains on investments		**283,905**	**(200,201)**	**-**	**83,704**	**4,256,105**
Net gain on investments	13	1,288,695	2,349,343	779,000	**4,417,038**	118,375
Net income		**1,572,600**	**2,149,142**	**779,000**	**4,500,742**	**4,374,480**
Transfers between funds	23	(8,701,863)	(3,838)	8,705,701	**-**	-
Net movement in funds		**(7,129,263)**	**2,145,304**	**9,484,701**	**4,500,742**	**4,374,480**
Reconciliation of funds:						
Total funds brought forward as previously stated		44,461,461	2,679,243	5,535,244	**52,675,948**	47,879,495
Prior year adjustment	22	(313,648)	(108,325)	-	**(421,973)**	-
Total funds brought forward as restated		44,147,813	2,570,918	5,535,244	**52,253,975**	47,879,495
Net movement in funds		(7,129,263)	2,145,304	9,484,701	**4,500,742**	4,374,480
Total funds carried forward	**23**	**37,018,550**	**4,716,222**	**15,019,945**	**56,754,717**	**52,253,975**

The Consolidated Statement of Financial Activities includes all gains and losses recognised in the year.
The notes on pages 27 to 46 form part of these financial statements.

Consolidated and charity balance sheet

Company number: 02620879

As at 31 March 2024

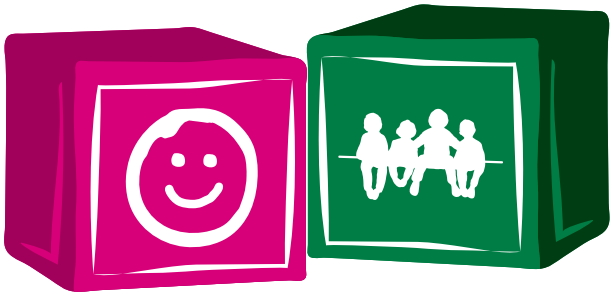
	Note	Group 2024 £	Group 2023 (as restated) £	Charity 2024 £	Charity 2023 (as restated) £
Fixed assets					
Intangible assets	14	**505,796**	48,363	**505,796**	48,363
Tangible fixed assets	15	**19,483,384**	19,835,946	**19,483,384**	19,835,946
Investments	16	**30,951,379**	24,631,547	**30,951,479**	24,631,647
Total		**50,940,559**	**44,515,856**	**50,940,659**	**44,515,956**
Current assets					
Stocks	17	**37,243**	62,502	**-**	-
Debtors	18	**2,122,390**	1,794,737	**2,164,802**	1,833,153
Cash at bank and in hand		**6,740,389**	9,466,376	**6,722,422**	9,462,977
Total		**8,900,022**	**11,323,615**	**8,887,224**	**11,296,130**
Creditors: amounts falling due within 1 year	19	**(1,504,582)**	(1,919,330)	**(1,496,415)**	(1,914,602)
Net current assets		**7,395,440**	**9,404,285**	**7,390,809**	**9,381,528**
Total assets less current liabilities		**58,335,999**	**53,920,141**	**58,331,468**	**53,897,484**
Provisions for liabilities	21	**(1,581,282)**	(1,666,166)	**(1,581,282)**	(1,666,166)
Total net assets		**56,754,717**	**52,253,975**	**56,750,186**	**52,231,318**
Charity funds					
Unrestricted designated funds	23	**19,609,177**	26,394,329	**19,609,177**	26,394,329
Unrestricted general funds	23	**17,409,373**	17,753,484	**17,404,842**	17,730,827
Restricted funds	23	**4,716,222**	2,570,918	**4,716,222**	2,570,918
Endowment funds	23	**15,019,945**	5,535,244	**15,019,945**	5,535,244
Total funds	**23**	**56,754,717**	**52,253,975**	**56,750,186**	**52,231,318**

The charity's net movement in funds for the year was **£4,500,742** (2023 restated: £4,374,480).

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the Board of Trustees on 10 October 2024 and signed on its behalf:

Tricia Morris
Chair of Trustees



Consolidated cash flow statement

For the year ended 31 March 2024

	Notes	2024 £	2023 (as restated) £
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	26	**(592,927)**	7,650,694
Cash flows from investing activities			
Dividends, interests and rents from investments		**975,118**	667,137
Proceeds from the sale of tangible fixed assets		**-**	4,000
Purchase of intangible assets		**(486,420)**	(39,333)
Purchase of tangible fixed assets		**(718,964)**	(923,895)
Receipts from investments		**7,963,974**	500,844
Payments for investments		**(9,866,768)**	(4,000,000)
Net cash used in investing activities		**(2,133,060)**	**(3,791,247)**
Change in cash and cash equivalents in the year		**(2,725,987)**	3,859,447
Bank and cash balances brought forward		**9,466,376**	5,606,929
Cash and cash equivalents at the end of the year	**27**	**6,740,389**	**9,466,376**

Notes to the financial statements

For the year ended 31 March 2024

1 Income from donations and legacies

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £	Total funds 2023 (as restated) £
Individual donations	2,066,371	277,661	**2,344,032**	3,345,525
Friends Group fundraising	183,515	1,331	**184,846**	177,791
Other voluntary income	1,188,787	49,336	**1,238,123**	1,001,309
Legacies	4,072,288	464,732	**4,537,020**	6,418,035
Grants and donations from Charitable Trusts	350,182	690,864	**1,041,046**	913,820
Government Grant - NHS England COVID-19 funding**	-	-	**-**	15,139
Total 2024	**7,861,143**	**1,483,924**	**9,345,067**	**11,871,619**
Total 2023	9,684,168	2,187,451	11,871,619	

**The NHS England awarded funding to allow the hospice to make available bed capacity and community support from April 2020 to March 2022 to provide support to people with complex needs in the context of COVID-19.

2 Income from charitable activities

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Funding from regional Integrated Care Boards	38,453	1,264,566	**1,303,019**	1,147,401
NHS England Children's Hospice grant	-	1,364,434	**1,364,434**	1,144,194
NHS England Superannuation grant	-	33,800	**33,800**	33,800
Total 2024	**38,453**	**2,662,800**	**2,701,253**	**2,325,395**
Total 2023	977,346	1,348,049	2,325,395	

CHSW acknowledges the award of grants for Little Bridge House, Charlton Farm and Little Harbour from NHS England Children's Hospice grant. The project undertakes to sustain and develop existing high quality hospice care for babies, children and young people receiving palliative care, their siblings and parents. It promotes education and learning needs of all those working in the sector in a responsive and flexible way. The funding and associated expenditure have been treated as movements in restricted funds.

In 2010 the charity succeeded in establishing contractual arrangements with the ICBs whose areas the charity covers. There are no unfulfilled conditions in respect of these contractual arrangements.

3 Income from non-charitable trading activities

Trading income	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Lottery and raffles	1,032,807	-	**1,032,807**	895,727
Donations relating to the sale of goods where the shops acted as agent	1,679,117	-	**1,679,117**	1,459,259
Gift Aid received on donations where the shops acted as agent	407,753	-	**407,753**	350,710
Shops turnover	3,117,432	-	**3,117,432**	3,063,856
C H S W Promotions Limited	357,305	-	**357,305**	353,396
Total 2024	**6,594,414**	**-**	**6,594,414**	**6,122,948**
Total 2023	6,122,948	-	6,122,948	

4 Income from investments

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Rental income	8,994	-	**8,994**	6,606
UK	132,814	-	**132,814**	192,971
Overseas	245,269	-	**245,269**	79,161
Multi-asset funds	382,162	56,005	**438,167**	348,515
Income from cash deposits	149,874	-	**149,874**	85,170
Total 2024	**919,113**	**56,005**	**975,118**	**712,423**
Total 2023	656,256	56,167	712,423	

5 Other income

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Other income	7,491	6,214	**13,705**	48,422
Total 2024	**7,491**	**6,214**	**13,705**	**48,422**
Total 2023	40,422	8,000	48,422	

6 Expenditure on raising funds and trading activities

Raising funds	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Direct costs	448,536	-	**448,536**	435,641
Staff costs	1,882,100	-	**1,882,100**	1,595,099
Depreciation	9,894	-	**9,894**	4,129
Total 2024	**2,340,530**	**-**	**2,340,530**	**2,034,869**
Total 2023	2,034,869	-	2,034,869	
Trading activities				
C H S W Promotions Limited	352,974	-	**352,974**	330,739
Lottery and raffles	397,155	-	**397,155**	354,264
Shops	1,474,091	-	**1,474,091**	1,418,639
Dilapidation provision	-	-	**-**	328,392
Staff costs	2,554,049	-	**2,554,049**	2,238,345
Depreciation	298,821	-	**298,821**	257,700
Total 2024	**5,077,090**	**-**	**5,077,090**	**4,928,079**
Total 2023	4,928,079	-	4,928,079	

7 Expenditure on investment management fees

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Investment management fees	112,689	-	**112,689**	107,385
Total 2024	**112,689**	**-**	**112,689**	**107,385**
Total 2023	107,385	-	107,385	

8 Expenditure on charitable activities

By fund type	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Care of babies, children, young people and families	7,606,400	4,409,144	**12,015,544**	9,754,369
Total 2024	**7,606,400**	**4,409,144**	**12,015,544**	**9,754,369**
Total 2023	6,593,562	3,160,807	9,754,369	

By expenditure type	Staff costs 2024 £	Depreciation 2024 £	Other costs 2024 £	Total funds 2024 £	Total funds 2023 £
Care of babies, children, young people and families	9,257,417	777,920	1,980,207	**12,015,544**	9,754,369
Total 2024	**9,257,417**	**777,920**	**1,980,207**	**12,015,544**	**9,754,369**
Total 2023	7,527,988	725,404	1,500,977	9,754,369	

9 Expenditure by activities

	Direct costs 2024 £	Support costs 2024 £	Total funds 2024 £	Total funds 2023 £
Care of babies, children, young people and families	9,952,628	2,062,916	**12,015,544**	9,754,369
Total 2024	**9,952,628**	**2,062,916**	**12,015,544**	**9,754,369**
Total 2023	8,006,177	1,748,192	9,754,369	

Direct costs	Total funds 2024 £	Total funds 2023 £
Staff costs	**8,005,792**	6,460,393
Depreciation	**658,931**	609,520
Other costs	**1,287,905**	936,264
Total	**9,952,628**	**8,006,177**
Support costs		
Staff costs	**1,251,625**	1,067,595
Depreciation	**118,989**	115,884
Other costs (see below)	**692,302**	564,713
Total	**2,062,916**	**1,748,192**

Detailed support costs	Total 2024 £	Total 2023 £
Communications and IT	**682,980**	562,963
Human resources	**531,162**	383,812
Governance	**43,772**	39,747
Finance	**516,251**	421,425
Head office support	**373,635**	425,129
Retail grant provision	**(84,884)**	(84,884)
Total support costs	**2,062,916**	**1,748,192**
Less staff costs included in above costs	**(1,251,625)**	(1,067,595)
Less depreciation included in above costs	**(118,989)**	(115,884)
Other support costs total	**692,302**	**564,713**

Governance costs comprise the costs of running the charity. This includes insurance of **£2,486** (2023: £1,860), external audit fees **£21,680** (2023: £17,147), internal audit fees **£4,683** (2023: £3,004), consultancy fees and legal advice for the Trustees **£13,630** (2023: £17,591) and all costs of complying with constitutional and statutory requirement such as the costs of board and committee meetings **£1,293** (2023: £145).

10 Auditor's remuneration

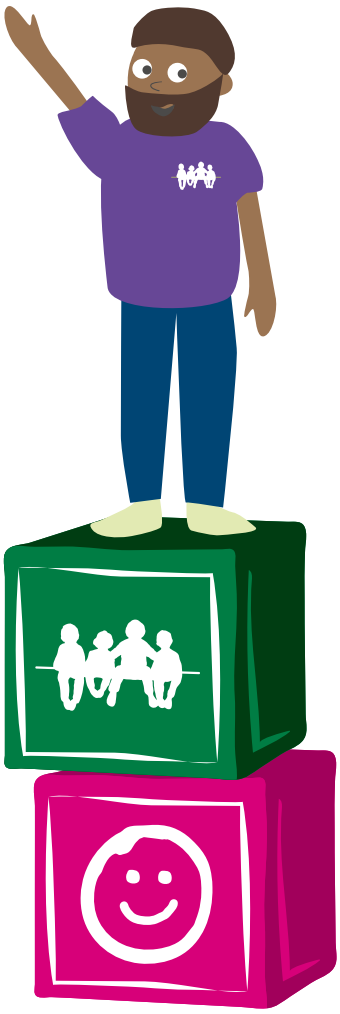
	Total 2024 £	Total 2023 £
Fees payable to the charity's auditor and its associates for the audit of the charity's annual accounts	17,720	16,560
Fees payable to the charity's auditor and its associates in respect of:		
The auditing of accounts of associates of the charity	3,150	2,950
Taxation compliance services	3,750	950
Accounts preparation	4,350	-

11 Staff costs

	Group 2024 £	Group 2023 £	Charity 2024 £	Charity 2023 £
Salaries and wages	**11,498,253**	9,635,610	**11,498,253**	9,635,610
Social security costs	**1,049,591**	884,048	**1,049,591**	884,048
Contribution to defined contribution pension schemes	**1,145,722**	841,774	**1,145,722**	841,774
Total	**13,693,566**	**11,361,432**	**13,693,566**	**11,361,432**

During the year, redundancy and settlement payments were made totalling **£55,000** (2023: £15,216).
At 31 March 2024 the payments outstanding were **£Nil** (2023: £Nil).

Average number of persons employed	Group 2024 No.	Group 2023 No.
Hospice services	200	178
Fundraising and publicity	62	54
Trading	123	113
Management and finance	29	27
Total	**414**	**372**
Average headcount expressed as full time equivalents		
Hospice services	162	144
Fundraising and publicity	55	47
Trading	79	74
Management and finance	24	22
Total	**320**	**287**
Employees whose employee benefits (excluding employer pension costs) exceeded £60,000		
In the band £60,001 to £70,000	8	7
In the band £70,001 to £80,000	6	2
In the band £80,001 to £90,000	5	4
In the band £90,001 to £100,000	-	-
In the band £100,001 to £110,000	1	-
In the band £110,001 to £120,000	2	2
In the band £120,001 to £130,000	-	-



All Trustees and certain senior employees who have authority and responsibility for planning, directing and controlling the activities of the charity are considered to be key management personnel. Total employment costs (including social security and pension contributions) in respect of these senior employees is **£699,642** (2023: £626,969).

12 Trustees remuneration and related party transactions

During the year, no Trustees received any remuneration or other benefits (2023: £NIL).

During the year ended 31 March 2024, expenses totalling **£1,104** were reimbursed or paid directly to **5 Trustees** (2023: £195 to 2 Trustees) for travel and subsistence.

13 Net gain/(loss) on investments

	Unrestricted funds 2024 £	Restricted funds 2024 £	Endowment funds 2024 £	Total funds 2024 £	Total funds 2023 £
Net gain on property and land	-	2,349,343	-	**2,349,343**	1,559,900
Net gain/(loss) on investments	1,288,695	-	779,000	**2,067,695**	(1,441,525)
Total 2024	**1,288,695**	**2,349,343**	**779,000**	**4,417,038**	**118,375**
Total 2023	(1,282,841)	1,401,216		118,375	

14 Intangible assets

Cost	Computer software £
At 1 April 2023	498,797
Additions	486,420
Disposals	(24,635)
Reclassification from fixed assets	10,563
At 31 March 2024	**971,145**
Amortisation	
At 1 April 2023	450,434
Charge for the year	39,550
Disposals	(24,635)
At 31 March 2024	**465,349**
Net book value	
At 31 March 2024	**505,796**
At 31 March 2023	48,363

15 Tangible fixed assets

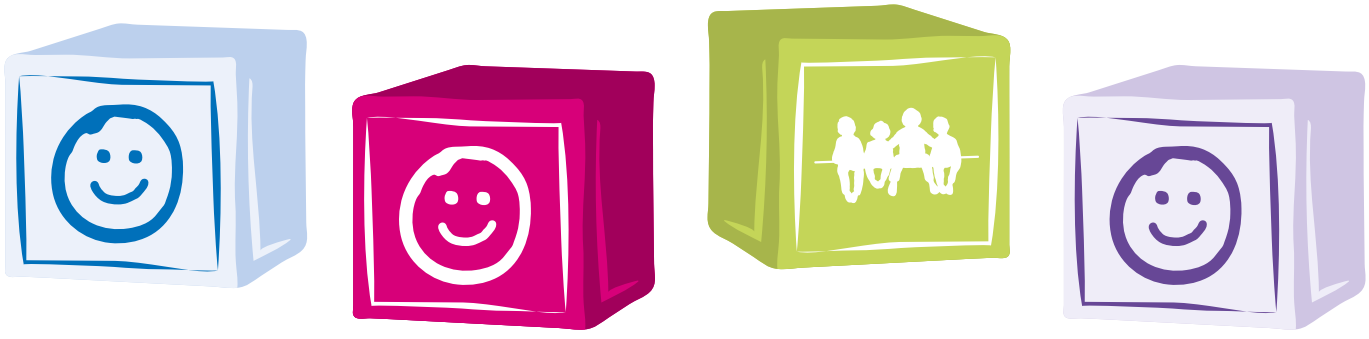
Cost	Freehold property and land £	Leasehold property £	Motor vehicles £	Furniture, fittings and other equipment £	Total 2024 £
At 1 April 2023	21,924,002	551,950	289,818	5,100,284	**27,866,054**
Additions	99,691	89,490	-	529,783	**718,964**
Disposals	(6,204)	(15,534)	(1,627)	(497,974)	**(521,339)**
Reclassification to intangible fixed assets	-	-	-	(10,563)	**(10,563)**
At 31 March 2024	**22,017,489**	**625,906**	**288,191**	**5,121,530**	**28,053,116**
Depreciation					
At 1 April 2023	3,553,450	430,773	245,463	3,800,422	**8,030,108**
Charge for the year	410,812	54,313	14,945	567,015	**1,047,085**
On disposals	(6,204)	(15,134)	(1,627)	(484,496)	**(507,461)**
At 31 March 2024	**3,958,058**	**469,952**	**258,781**	**3,882,941**	**8,569,732**
Net book value					
At 31 March 2024	**18,059,431**	**155,954**	**29,410**	**1,238,589**	**19,483,384**
At 31 March 2023	18,370,552	121,177	44,355	1,299,862	19,835,946

Included in the above is land totalling **£2,947,681** (2023: £2,947,681) which is not depreciated.

16 Investments

Group cost or valuation	Listed investments £	Donated land held for investment purposes £	Cash held as part of investment portfolio £	Total 2024 £
At 1 April 2023	20,852,571	1,600,000	2,178,976	**24,631,547**
Additions	11,292,615	335,466	-	**11,628,081**
Disposals	(4,178,936)	(1,600,000)	-	**(5,778,936)**
Revaluations	2,232,000	-	-	**2,232,000**
Net movement of cash held	-	-	(1,761,313)	**(1,761,313)**
At 31 March 2024	**30,198,250**	**335,466**	**417,663**	**30,951,379**
Group net book value				
At 31 March 2024	**30,198,250**	**335,466**	**417,663**	**30,951,379**
At 31 March 2023	20,852,571	1,600,000	2,178,976	24,631,547

Charity cost or valuation	Investment in subsidiary company £	Listed investments £	Donated land held for investment purposes £	Cash held as part of investment portfolio £	Total 2024 £
At 1 April 2023	100	20,852,571	1,600,000	2,178,976	**24,631,647**
Additions	-	11,292,615	335,466	-	**11,628,081**
Disposals	-	(4,178,936)	(1,600,000)	-	**(5,778,936)**
Revaluations	-	2,232,000	-	-	**2,232,000**
Net movement of cash held	-	-	-	(1,761,313)	**(1,761,313)**
At 31 March 2024	**100**	**30,198,250**	**335,466**	**417,663**	**30,951,479**
Net book value					
At 31 March 2024	**100**	**30,198,250**	**335,466**	**417,663**	**30,951,479**
At 31 March 2023	100	20,852,571	1,600,000	2,178,976	24,631,647



Listed investments at market value comprise	Total 2024 £	Total 2023 £
UK equities and bonds	5,265,864	5,533,346
Overseas equities and bonds	10,223,141	4,530,528
Multi fund assets	14,709,245	10,788,697
Total	**30,198,250**	**20,852,571**

Investments are held in a diverse portfolio of funds, managed by LGT, Sarasin & Partners and other fund managers, and in Government stocks.

Principal subsidiaries

The following was a subsidiary undertaking of the charity

Name	Company number	Registered office	Class of shares	Holding
C H S W Promotions Limited	02645823	Little Bridge House, Redlands Road, Barnstaple EX31 2PZ	Ordinary	100%

The financial results of the subsidiary for the year were:

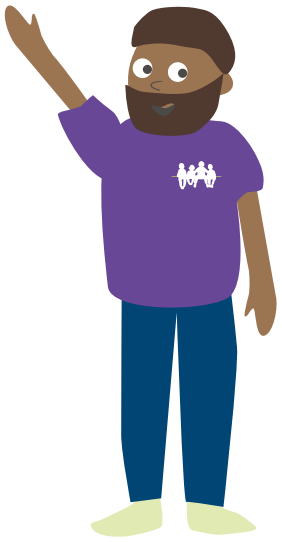
Name	Income £	Expenditure £	Profit/(Loss) for the year £	Net assets £
C H S W Promotions Limited	**357,305**	**352,974**	**4,331**	**4,631**

The principal activity of C H S W Promotions Limited is the sale of bought in goods for the benefit of CHSW. The company pays its taxable profits to the charity under Gift Aid.

During the year the charity recharged expenses of **£176,083** (2023: £182,687) to CHSW Promotions Limited and remittances were **£172,122** (2023: £172,242). At the year end C H S W Promotions owed CHSW **£42,412** (2023: £38,451). Included within this is management recharges of **£173,588** (2023: £180,311).

17 Stocks

	Group 2024 £	Group 2023 £
Finished goods and goods for resale	37,243	62,502



18 Debtors

	Group 2024 £	Group 2023 (as restated) £	Charity 2024 £	Charity 2023 (as restated) £
Amounts owed by group undertakings	-	-	42,412	38,451
Other debtors	613,344	870,763	613,344	870,763
Prepayments and accrued income	621,869	595,371	621,869	595,336
Legacies receivable	887,177	328,603	887,177	328,603
Total	**2,122,390**	**1,794,737**	**2,164,802**	**1,833,153**

19 Creditors

Amounts falling due within 1 year	Group 2024 £	Group 2023 £	Charity 2024 £	Charity 2023 £
Trade creditors	319,620	351,928	318,102	351,861
Other taxation and social security	258,397	219,582	257,256	219,582
Other creditors	252,040	207,146	252,040	207,146
Accruals and deferred income	674,525	1,140,674	669,017	1,136,013
Total	**1,504,582**	**1,919,330**	**1,496,415**	**1,914,602**
Deferred income				
Deferred income at 1 April 2023	504,449	669,719	504,449	669,719
Resources deferred during the year	493,570	504,449	493,570	504,449
Amounts released from previous periods	(504,449)	(669,719)	(504,449)	(669,719)
Deferred income at 31 March 2024	**493,570**	**504,449**	**493,570**	**504,449**

Deferred income includes income relating to registrations and sponsorship for upcoming events **£403,145** (2023: £146,492), lottery subscriptions for future draws **£90,425** (2023: £84,835).

20 Financial instruments

	Group 2024 £	Group 2023 £	Charity 2024 £	Charity 2023 £
Financial assets measured at fair value through income and expenditure	30,533,716	22,452,571	30,533,716	22,452,571

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

21 Provisions for liabilities

	Dilapidation provisions £	Retail grant provisions £	Total 2024 £
At 1 April 2023	1,581,282	84,884	**1,666,166**
Amounts used	-	(84,884)	**(84,884)**
Total	**1,581,282**	**-**	**1,581,282**

Dilapidation provisions are a provision for anticipated costs of dilapidation across the charity's retail operations.

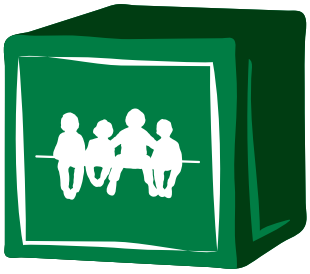
Retail grant provisions are a provision for claw back on its retail grant income.

22 Prior year adjustment

In 2024 the charity has changed its accounting policy for the recognition of legacies. Previously the charity accounted for residuary legacies when amounts were received or when an accurate figure could be determined. Legacies are now accounted for based on settlement of the estate or receipt of payment, whichever is earlier. Pecuniary legacies are recognised at the point of notification. The 2023 comparatives have been restated to take account of a prior year adjustment and a change to the legacy accounting policy. The impact of this adjustment means that the charity debtors represented by legacies receivable, surplus for the period and funds at 31 March 2023 have decreased by £421,973.

The effects of the change are summarised below:

Reconciliation of legacy debtors	Group 2023 £	Charity 2023 £
Legacies receivable (as previously stated)	750,576	750,576
Legacy accrual change in basis	(421,973)	(421,973)
Legacies receivable (as restated)	**328,603**	**328,603**
Reconciliation of funds		
Funds (as previously stated)	52,675,948	52,653,291
Legacy accrual change in basis	(421,973)	(421,973)
Funds (as restated)	**52,253,975**	**52,231,318**
Reconciliation of 2023 surplus for period		
2023 surplus (as previously stated)	4,796,453	4,785,493
Legacy accrual change in basis	(421,973)	(421,973)
2023 surplus (as restated)	**4,374,480**	**4,363,520**



23 Statement of funds

2023 to 2024	Balance at 1 April 2023 (as restated) £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2024 £
Unrestricted designated funds						
Designated capital funds	19,504,312	-	(1,086,635)	1,191,500	-	**19,609,177**
Designated care endowment fund	6,890,017	-	-	(6,890,017)	-	**-**
Total unrestricted designated funds	**26,394,329**	**-**	**(1,086,635)**	**(5,698,517)**	**-**	**19,609,177**
Unrestricted general funds						
Unrestricted general funds	17,753,484	15,420,614	(14,050,074)	(3,003,346)	1,288,695	17,409,373
Total unrestricted general funds	**17,753,484**	**15,420,614**	**(14,050,074)**	**(3,003,346)**	**1,288,695**	**17,409,373**
Restricted funds						
Little Harbour capital	380,000	-	-	-	-	**380,000**
NHS England grants	-	1,398,234	(1,398,234)	-	-	**-**
Little Bridge House funds	123,883	311,049	(272,858)	(3,776)	-	**158,298**
Charlton Farm funds	1,906,484	925,799	(1,193,405)	76,550	2,349,343	**4,064,771**
Little Harbour funds	29,257	225,379	(214,347)	(14,843)	-	**25,446**
CHSW funds	131,294	1,348,482	(1,330,300)	(61,769)	-	**87,707**
Total restricted funds	**2,570,918**	**4,208,943**	**(4,409,144)**	**(3,838)**	**2,349,343**	**4,716,222**
Endowment funds						
CHSW Care Endowment Fund (CCEF)	3,987,446	-	-	8,702,222	656,026	**13,345,694**
Bayliss Endowment Fund	1,547,798	-	-	3,479	122,974	**1,674,251**
Total endowment funds	**5,535,244**	**-**	**-**	**8,705,701**	**779,000**	**15,019,945**
Total funds 2024	**52,253,975**	**19,629,557**	**(19,545,853)**	**-**	**4,417,038**	**56,754,717**

2022 to 2023	Balance at 1 April 2022 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2023 (as restated) £
Unrestricted designated funds						
Designated capital funds	19,538,065	-	(987,232)	953,479	-	**19,504,312**
Designated care endowment fund	7,972,315	-	-	(1,082,298)	-	**6,890,017**
Total unrestricted designated funds	**27,510,380**	**-**	**(987,232)**	**(128,819)**	**-**	**26,394,329**
Unrestricted general funds						
Unrestricted general funds	18,116,361	17,481,140	(12,676,663)	(3,884,513)	(1,282,841)	**17,753,484**
Total unrestricted general funds	**18,116,361**	**17,481,140**	**(12,676,663)**	**(3,884,513)**	**(1,282,841)**	**17,753,484**
Restricted funds						
Little Harbour capital	380,000	-	-	-	-	**380,000**
NHS England grants	-	1,363,188	(1,363,188)	-	-	**-**
Little Bridge House funds	59,187	395,520	(318,168)	(12,656)	-	**123,883**
Charlton Farm funds	79,389	710,130	(371,892)	(25,143)	1,514,000	**1,906,484**
Little Harbour funds	38,449	941,299	(931,915)	(18,576)	-	**29,257**
CHSW funds	52,501	189,530	(175,644)	64,907	-	**131,294**
Total restricted funds	**609,526**	**3,599,667**	**(3,160,807)**	**8,532**	**1,514,000**	**2,570,918**
Endowment funds						
CHSW Care Endowment Fund (CCEF)	-	-	-	4,000,000	(12,554)	**3,987,446**
Bayliss Endowment Fund	1,643,228	-	-	4,800	(100,230)	**1,547,798**
Total endowment funds	**1,643,228**	**-**	**-**	**4,004,800**	**(112,784)**	**5,535,244**
Total funds 2023	**47,879,495**	**21,080,807**	**(16,824,702)**	**-**	**118,375**	**52,253,975**

Designated funds

Capital Funds

The Trustees have established designated capital funds which are equivalent to the net book value of unrestricted tangible and intangible fixed assets used to enable CHSW to carry out its charitable work.

Of the net transfer between funds **£89,838** (2023: £72,419) represent the amount spent on capital assets from restricted funds where the restrictions on the donations for assets have been fulfilled. In the year **£1,115,546** (2023: £890,809) was spent on capital from general unrestricted funds and was transferred to designated capital funds.

Endowment Fund

Funds designated for transfer to the CHSW Care Endowment Fund are included within endowed funds below.

Endowed funds

CHSW Care Endowment Fund (CCEF)

The CCEF exists to support the management of excess unrestricted reserve holdings which usually arrive in the form of unexpected and unpredictable windfalls from legacies. The fund is available to be spent (expendable endowment) to support the long term sustainability, stability and resilience of the charity and the long term continuation of the delivery of care services and to ensure that future care expenditure and investment can be financed even during periods of lower anticipated income. Established in 2022 following expert legal advice taken by the CHSW Board of Trustees on the form, nature and compliance with regulatory law and guidance of the fund. During the year to 31 March 2024 **4 donations** met the CCEF criteria totalling **£1,713,987** (2023: 5 donations totalling £2,917,703) and £98,218 (2023: nil) of investment income was reinvested into the CCEF.

Bayliss Endowment Fund

The Bayliss Endowment Fund is to be retained for the benefit of the charity as a capital fund. The income from the capital is restricted due to the wishes of the donor. This income funds care staff costs at Charlton Farm and in particular, the post of Head of Care. Income in 2024 is **£56,005** (2023: £56,167) and is included in restricted funds income on the Statement of Financial Activities. The gain in 2024 is **£122,974** (2023: loss £100,230). The fund is an expendable endowment.

Restricted funds

The Little Harbour capital fund relates to the valuation of the land donated in 2009 to CHSW on which the hospice site has been built.

NHS England grant fund is the NHS England Children's Hospice grant which was given to sustain and develop the existing high quality hospice care for babies, children and young people receiving palliative care, their siblings and parents.

The Little Bridge House, Charlton Farm, Little Harbour and CHSW funds include donations towards specific projects at each hospice and across the whole charity, including Music Therapy, equipment, rooms and gardens, parties and presents, play equipment and materials, salary and other revenue costs, and funding of mums and dads groups.

Other legacies and donations were restricted to be spent at a specific hospice. **3 restricted legacies** (2023: 7) were more than £50,000, of which a total of **£289,379** (2023: £234,366) was donated for Charlton Farm and **£Nil** (2023: £465,122) was donated for Little Harbour.

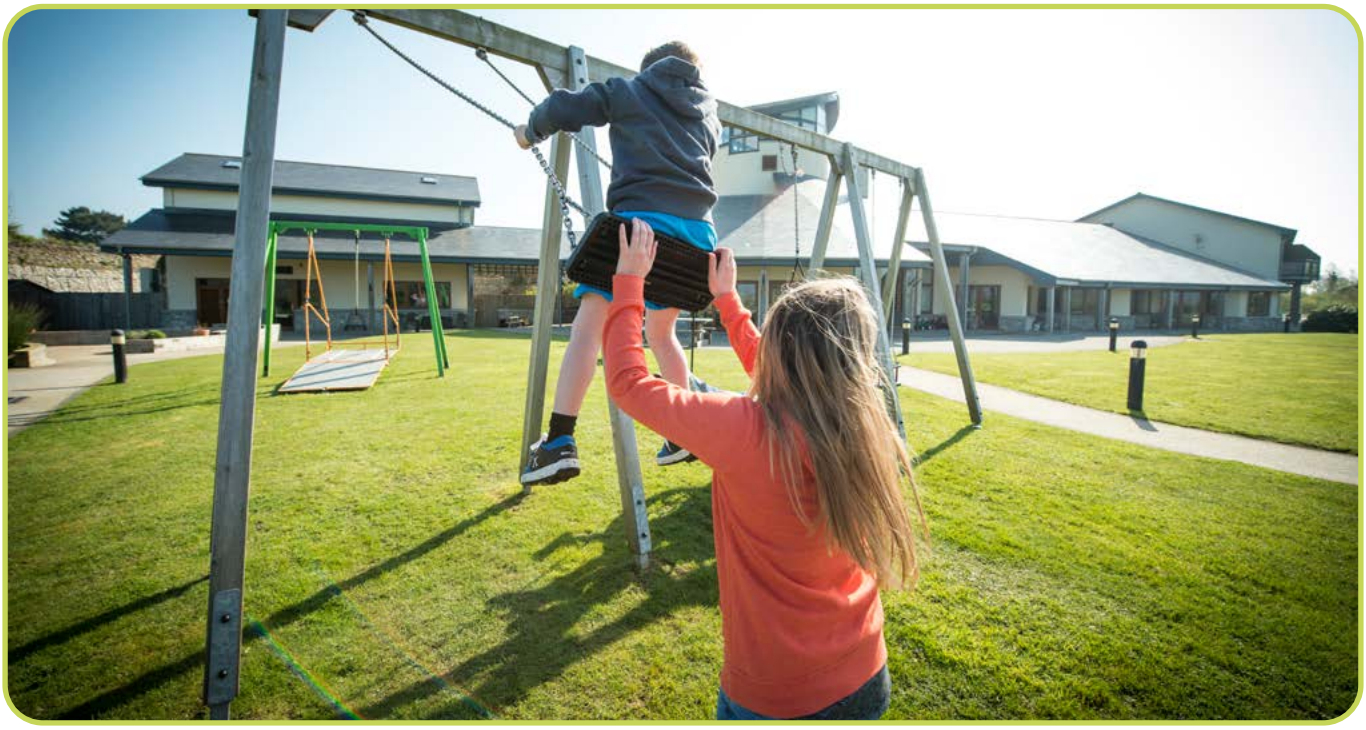
Last year, agricultural land being held by the charity was revalued with a gain of £1,514,000 following the granting of planning permission to build residential homes on it. In 2023 to 2024 this land was disposed of to a housing developer and an investment gain of £2.4 million was recognised. As the land had originally been donated by a supporter of care at Charlton Farm, the benefit of this revaluation and disposal has been restricted to this hospice.

Transfers between funds represent the amounts spent on capital assets from revenue funds. Only assets with a continuing restriction are maintained as restricted funds.

24 Summary of funds

2023 to 2024	Balance at 1 April 2023 (as restated) £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2024 £
Unrestricted designated funds	26,394,329	-	(1,086,635)	(5,698,517)	-	**19,609,177**
Unrestricted general funds	17,753,484	15,420,614	(14,050,074)	(3,003,346)	1,288,695	**17,409,373**
Endowment funds	5,535,244	-	-	8,705,701	779,000	**15,019,945**
Restricted funds	2,570,918	4,208,943	(4,409,144)	(3,838)	2,349,343	**4,716,222**
Total	**52,253,975**	**19,629,557**	**(19,545,853)**	**-**	**4,417,038**	**56,754,717**

2022 to 2023	Balance at 1 April 2022 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2023 (as restated) £
Unrestricted designated funds	27,510,380	-	(987,232)	(128,819)	-	**26,394,329**
Unrestricted general funds	18,116,361	17,481,140	(12,676,663)	(3,884,513)	(1,282,841)	**17,753,484**
Endowment funds	1,643,228	-	-	4,004,800	(112,784)	**5,535,244**
Restricted funds	609,526	3,599,667	(3,160,807)	8,532	1,514,000	**2,570,918**
Total	**47,879,495**	**21,080,807**	**(16,824,702)**	**-**	**118,375**	**52,253,975**



25 Analysis of net assets between funds

2023 to 2024	Unrestricted funds 2024 £	Restricted funds 2024 £	Endowment funds 2024 £	Total funds 2024 £
Tangible fixed assets	19,103,384	380,000	-	**19,483,384**
Intangible fixed assets	505,796	-	-	**505,796**
Fixed asset investments	15,595,968	335,466	15,019,945	**30,951,379**
Current assets	4,899,266	4,000,756	-	**8,900,022**
Creditors due within one year	(1,504,582)	-	-	**(1,504,582)**
Provisions for liabilities and charges	(1,581,282)	-	-	**(1,581,282)**
Total	**37,018,550**	**4,716,222**	**15,019,945**	**56,754,717**

2022 to 2023	Unrestricted funds 2023 £	Restricted funds 2023 (as restated) £	Endowment funds 2023 £	Total funds 2023 (as restated) £
Tangible fixed assets	19,455,946	380,000	-	**19,835,946**
Intangible fixed assets	48,363	-	-	**48,363**
Fixed asset investments	19,096,303	-	5,535,244	**24,631,547**
Current assets	9,132,697	2,190,918	-	**11,323,615**
Creditors due within one year	(1,919,330)	-	-	**(1,919,330)**
Provisions for liabilities and charges	(1,666,166)	-	-	**(1,666,166)**
Total	**44,147,813**	**2,570,918**	**5,535,244**	**52,253,975**

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

	Group 2024 £	Group 2023 £
Net income for the period (as per Statement of Financial Activities	**4,500,742**	**4,374,480**
Adjustments for:		
Depreciation and amortisation charges	**1,086,635**	987,233
Gains on property and land	**(2,349,343)**	(1,559,900)
(Gains)/losses on investments	**(2,067,695)**	1,441,525
Dividends, interests and rents from investments	**(975,118)**	(605,036)
Loss on the sale of fixed assets	**13,879**	5,750
Decrease/(increase) in stocks	**25,259**	(36,910)
(Increase)/decrease in debtors	**(327,653)**	2,873,895
Decrease in creditors	**(414,749)**	(73,851)
(Decrease)/increase in provisions	**(84,884)**	243,508
Net cash (used in)/provided by operating activities	**(592,927)**	**7,650,694**

27 Analysis of cash and cash equivalents

	Group 2024 £	Group 2023 £
Cash in hand	6,740,389	9,466,376
Total cash and cash equivalents	**6,740,389**	**9,466,376**

28 Analysis of changes in net debt

	At 1 April 2023 £	Cash flows £	At 31 March 2024 £
Cash at bank and in hand	9,466,376	(2,725,987)	6,740,389
Total	**9,466,376**	**(2,725,987)**	**6,740,389**

29 Pension commitments

CHSW employees belonged to 2 principal pension schemes during the year. The NHS pension scheme for eligible staff is a defined benefit scheme. Non eligible members of staff are offered a defined contribution scheme administered by Scottish Widows.

NHS scheme

Only ex NHS qualified doctors and nurses are eligible to join the NHS scheme. The NHS scheme is a multi employer defined benefit pension scheme. As the charity is unable to identify its share of the assets and liabilities of the scheme on a consistent and reliable basis, the scheme is treated by the charity as if it were a defined contribution scheme, in accordance with Financial Reporting Standard (FRS 101).

Following advice from the Government Actuary's Department as part of the 2016 valuation process, the Department of Health and Social Care (DHSC) confirmed that NHS employer contribution rate will increase to 20.68% with effect from 2019. The government has committed to cover this cost increase for a certain category of employers, including CHSW, recurring annually until 31 March 2024.

Total pension contributions and liabilities

The total pension costs, excluding salary exchange, charged in the year represent the charity's contributions to all the schemes and amounted to **£1,145,722** (2023: £841,774). The charity contributions outstanding at 31 March 2024 were **£147,176** (2023: £128,673). The assets and liabilities of both schemes are held separately from those of the charity, in independently administered pension schemes.

30 Operating lease commitments

At 31 March 2024 the group and the charity had commitments to make future minimum lease payments under non cancellable operating leases as follows:

	Group 2024 £	Group 2023 £	Charity 2024 £	Charity 2023 £
Not later than 1 year	596,976	672,319	596,976	672,319
Later than 1 year and not later than 5 years	1,144,276	913,109	1,144,276	913,109
Later than 5 years	78,584	63,262	78,584	63,262
Total	**1,819,836**	**1,648,690**	**1,819,836**	**1,648,690**

The following lease payments have been recognised as an expense in the Statement of financial activities:

	Group 2024 £	Group 2023 £	Charity 2024 £	Charity 2023 £
Operating lease rentals	**903,739**	**898,235**	**903,739**	**898,235**

31 Indemnities

Legacies

The charity has indemnified the executors of 3 estates in respect of residuary legacies distributed to the charity. The maximum liability under the indemnities at the date the accounts were approved is **£24,225** (2023: £27,437).

Solicitors unclaimed client funds

Following the passing of relevant legislation, solicitors are now permitted to distribute to charities certain unclaimed client funds, however an indemnity is required from those charities to indefinitely commit to refund any funds that are subsequently claimed. The total of the charity's indemnities is **£97,900** (2023: £104,919).

32 Post balance sheet events

As at 31 March 2024, the charity had been notified of a number of residuary legacies, the values of which were uncertain, as the executors were awaiting confirmation of other claims on the estate and may also be in the process of realising assets such as residential property. The estimated total of these legacies could be up to £1,900,000.

None of these legacies have been accrued in the financial statements.

There are no other post balance sheet events that require reporting.

Accounting policies

1. General information

Children's Hospice South West is a company limited by guarantee (registered number 02620879), which is incorporated and registered in England and Wales.

Its charity registration number is 1003314. The registered office is Little Bridge House, Redlands Road, Fremlington, Barnstaple, Devon, EX31 2PZ.

The liability of each member in the event of winding up is limited to £1 per member.

2. Accounting policies

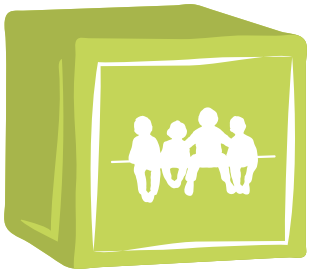
2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the charity's Statement of Recommended Practice (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), Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), Companies Act 2006 and the Charities Act 2011.

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

The consolidated statement of financial activities (SOFA) and consolidated balance sheet consolidate the financial statements of the charity and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis and intercompany balances are eliminated on consolidation.

The charity has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own statement of financial activities in these financial statements. The charity has taken advantage of the exemptions in FRS 102 from the requirements to present a charity only cash flow statement and certain disclosures about the charity's financial instruments.



2.2 Going concern

The Group has cash resources and no requirement for external funding to fund normal operating activities. The Trustees believe that there are no material uncertainties about the Group's ability to continue in operating existence for the foreseeable future, having reviewed our financial position, reserves levels and future plans. They continue to believe the going concern basis of accounting appropriate in preparing the annual financial statements.

2.3 Income

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Income from voluntary sources is received by way of donations and gifts and is included in full in the consolidated statement of financial activities when receivable.

Income from Gift Aid tax reclaims is recognised for all donations made prior to the year end, where valid Gift Aid declarations are held and allocated to the same fund as the underlying donation.

Donated services and facilities

Properties, investments and other fixed assets donated to the charity are included as income and recognised as assets or investments at market value at the time that the charity takes control of the item. Donated services, if material, are recognised at their estimated value to the charity when received, and under the appropriate expenditure heading depending on the nature of the service provided, at the same value and time. Although it is of significant value to the charity, time donated by the charity's volunteers and Friends Group members is not recognised in the accounts as it cannot be reliably valued and is specifically exempted by the Statement of Recommended Practice. Details of the roles played by volunteers and the nature of their contribution can be found in the Trustee's report.

Stocks of donated goods for resale cannot be measured reliably in a cost effective manner, due to the high volume of low value items received. Therefore donated goods for resale are not recognised on receipt, but their value is recognised as income when sold.

Legacy income

Legacies are recognised when the charity is entitled to the funds (when there is a valid will and they are notified of the benefactor's death), when receipt is probable (indicated by grant of probate) and the charity can reliably estimate the legacy income receivable.

Recognition is therefore dependent on the type of legacy:

- Pecuniary legacies are recognised when notification is received
- Residuary legacies are recognised on settlement of the estate or receipt of payment, whichever is earlier.

Where legacies have been notified to the charity but the criteria for income recognition have not been met the legacy is treated as contingent assets and disclosed if material in note 32.

Income received in advance

Income received in advance of an event or provision of another specific service, is deferred until the criteria for income recognition are met.

Grants

Grants received for specific purposes are accounted for as restricted funds. Grants that provide core funding or are of a general nature provided by charitable foundations are recorded as donations. The grants detailed in note 2 have been included as income from charitable activities as they relate to the provision of care. Grants are recognised in full when the entitlement is established.

Investment income

Investment income is credited to income on an accruals basis.

Interest received

Interest on funds held on deposit is included when receivable.

2.4 Expenditure

Expenditure is accounted for on an accruals basis and recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the location of the asset's use.

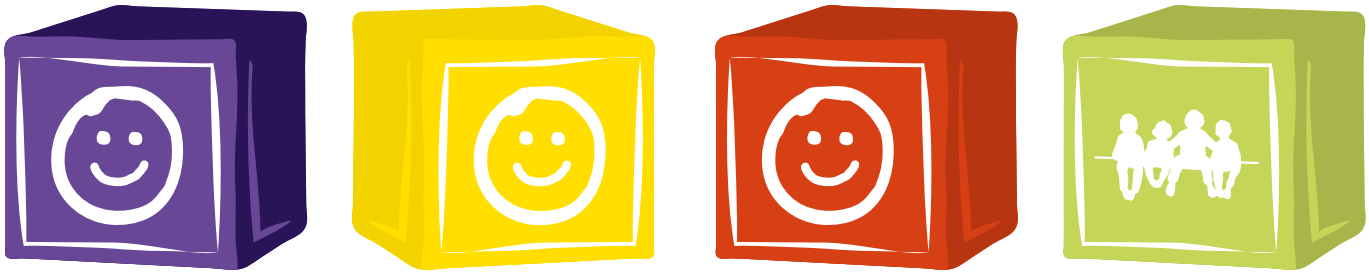
The costs of raising funds are those incurred in encouraging individuals and organisations to make voluntary contributions and donations to the charity. This includes the costs of the charity's fundraising offices and supporter groups, the cost of trading and investment management fees

Charitable expenditure comprises direct expenditure including direct staff costs attributable to its care activities and support costs.

All expenditure is inclusive of irrecoverable VAT.

Support costs include central functions and are allocated to activity costs categorised on a basis consistent with the use of resources. This allocation is carried out on a substantive activity basis and does not take account of incidental use.

Governance costs are included within support costs and comprise the costs of running the charity. This includes external audit, any legal advice for the Trustees and all costs of complying with constitutional and statutory requirements such as the costs of Board and Committee meetings.



2.5 Intangible assets and amortisation

Intangible assets costing **£2,000** (2023: £500) or more are capitalised and recognised when future economic benefits are probable, and the cost or value of the asset can be measured reliably.

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Amortisation is provided on intangible assets at rates calculated to write off the cost of each asset on a straight line basis over its expected useful life.

Amortisation is provided on computer software over 4 years.

2.6 Tangible fixed assets and depreciation

Tangible fixed assets costing **£2,000** (2023: £500) or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight line method. Freehold land is not depreciated.

Depreciation is provided on the following bases:

- Freehold property: 5 to 50 years
- Leasehold property: life of lease
- Motor vehicles: 4 years
- Furniture, fittings and other equipment: 5 to 10 years
- Computer equipment: 5 years.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Consolidated statement of financial activities.

2.7 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Consolidated statement of financial activities.

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

2.8 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow moving stocks.

2.9 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.

Debtors

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

Cash at bank and in hand

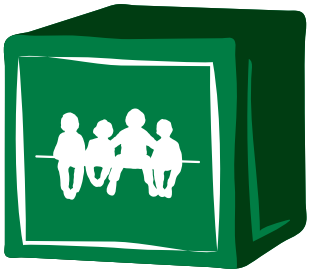
Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

Creditors

Liabilities and provisions are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

2.10 Pensions

The charity contributed to 1 defined benefit scheme in the year but also operates a defined contribution pension scheme. Pension costs charged to the statement of financial activities represent the contributions payable by the charity in respect of the accounting period. Both schemes are accounted for as defined contribution schemes. Note 29 provides a detailed explanation.



2.11 Operating leases

Rentals paid under operating leases are charged to the Consolidated statement of financial activities on a straight line basis over the lease term.

2.12 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustee in furtherance of the general objectives of the Group and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustee for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Group for particular purposes. The aim and use of each restricted fund is set out in the notes to the financial statements.

The aim and use of each endowed fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

2.13 Taxation

The charity is exempt from Corporation Tax on its charitable activities.

The charity is registered for VAT. Irrecoverable VAT is allocated to the areas in which it is incurred.

3. Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The charity makes estimates and assumptions concerning the future.

Impairment of debtors

The Group makes an estimate of the recovery of debtors. When assessing the impairment of debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience.

Provisions

The Group has estimated the anticipated costs of dilapidation's across its retail operations based on the age of the lease and the fit out costs.

The Group has estimated the potential maximum claw back on its retail grant income based on legal advice received and detailed calculations.

Useful economic lives of tangible and intangible assets

The annual depreciation and amortisation charges for the tangible and intangible assets are sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are amended when necessary to reflect current estimates and the physical condition of the assets. See notes 14 and 15 for the carrying amount of the intangible and tangible assets and policy (i) for the useful lives for each class of asset.

Audit report

Independent auditor's report to the members of CHSW

Opinion

We have audited the financial statements of Children's Hospice South West (the 'parent charitable company') and its subsidiary (the 'group') for the year ended 31 March 2024 which comprise the Consolidated statement of financial activities, the Consolidated balance sheet, the charity balance sheet, the Consolidated statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- Give a true and fair view of the state of the Group's and of the parent charitable company's affairs as at 31 March 2024 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
- 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 UK, 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 Trustee's 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 12 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 other information comprises the information included in the Annual report other than the financial statements and our Auditor's report thereon. The Trustees are responsible for the other information contained within the Annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- The information given in the Trustee's Report and Strategic Report for the financial year for which the financial statements are prepared are consistent with the financial statements
- The Trustee's Report and Strategic Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In 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 Trustee's Report or 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 Trustee's 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 statement of Trustee's responsibilities, 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.

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

We obtained an understanding of the legal and regulatory frameworks within which the Group and charitable company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006, the Charities Act 2011 together with the charity's Statement of Recommended Practice (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 Group and charitable company's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the Group and charitable company for fraud. The laws and regulations we considered in this context were Care Quality Commission (CQC) Regulations, General Data Protection Regulation (GDPR), Anti fraud, bribery and corruption legislation, environmental protection legislation, Health and safety legislation, Taxation legislation and Employment legislation.

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 in the following areas: timing of recognition of income (specifically legacy income and grant income other than NHS income); the override of controls by management, including posting of unusual journals; inappropriate treatment of non routine transactions and areas of estimation uncertainty.

Our audit procedures to respond to these risks included enquiries of management about their own identification and assessment of the risks of irregularities, review and discussion of non routine transactions, sample testing on the posting of journals and income streams noted above and review of accounting estimates for biases.

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

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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.

Guy Biggin
Senior Statutory Auditor

For and on behalf of Crowe U.K. LLP
Statutory Auditor
4th Floor, St James House,
St James Square,
Cheltenham GL50 3PR

Date: 25 October 2024

Structure, governance and management

CHSW is a registered charity with the Charity Commission in England and Wales (charity number 1003314) and was incorporated as a private company limited by guarantee (company number 02620879), on 17 June 1991. Legal and company information is set out on page 58 and lists the Directors, Trustees, Senior Management Team (SMT) and the principal advisors, and forms part of this report.

The principal object of the charity

The charity was established 'to promote the relief of illness and suffering in such ways as the Association shall from time to time think fit, and particularly in the South West counties of England and adjacent areas and in particular:

- By establishing, maintaining and conducting residential nursing homes for the reception and care of young persons who are suffering from any chronic or terminal illness or any other physical or mental infirmity, disability or disease and for the reception and care of the members of the family of such persons whether adult or otherwise, and so that any such home may be restricted to patients (and the families of patients) of under a certain age limit or to patients suffering from any particular types of illness, disability, disease or infirmity, and by providing medical or other treatment or attention for any such persons and their families as aforesaid in their own homes
- By conducting, promoting or encouraging research into the care and treatment of persons suffering from any such illness, disability, disease or infirmity as aforesaid and particularly into the care and treatment of persons suffering from terminal illness and the care of the families of such persons and by providing for the dissemination of the results of such research
- By promoting, encouraging or assisting in the teaching or training of Doctors, Nurses, Physiotherapists, Administrators, Social Workers, and other persons engaged in any branch of medicine, surgery, nursing or allied services, and in the teaching or training of students in any branch of medicine, surgery, nursing or allied services
- By providing, assisting or encouraging spiritual help and guidance for any resident (baby, child, young person or their family) or associated with any such home or homes as aforesaid.

In pursuing the principal objectives of the charity, activities that CHSW provides to the families in the South West are detailed on page 7.

Organisational structure

The charity is constituted as a company limited by guarantee, and, therefore, is governed by a Memorandum and Articles of Association and has no share capital.

The charity has a wholly owned subsidiary, C H S W Promotions Limited. The principal activity of the subsidiary is the sale of promotional and bought in goods in support of CHSW.

The Directors of this subsidiary throughout the year, unless otherwise stated, are as follows:

- Nicola Mason, CHSW Trustee
- Jessica Patel, CHSW Director of Marketing and Communications and Deputy Chief Executive
- David Turner, CHSW Trustee
- Jonathan Webber, CHSW Director of Finance and Retail.

All Directors of CHSW, (excluding the SMT), are also Trustees of the charity and there are no other Trustees.

The charity is organised so that the Trustees meet collectively at least 4 times a year to direct the management of its affairs. Strategy days are also held periodically. The members (the members of the charity include all Trustees and 3 other individuals) of the charity may, by ordinary resolution, appoint persons willing to act as a Trustee.

Assurance Committees

In addition to regular Board meetings, with the attendance of all Trustees and the SMT, delegated authority has been given to Assurance Committees to assist the Board in several functional and risk areas of the charity. These Assurance Committees are attended by Trustees with relevant skills and experience, meet at least 3 times per year and report directly to the Board. They currently include:

- Care Assurance Committee
- Income Generation and Marketing Assurance Committee
- Investment and Finance Assurance Committee
- Governance Assurance Committee (incorporating risk and remuneration).

Appointment of Trustees

The Board of Trustees, listed on page 58, is responsible for confirming the appointment of a new Trustee following a clear recruitment and selection policy and procedure. The term of office is 3 years after which period a Trustee must seek re-appointment by the Board if he or she wishes to continue as a Trustee. There is currently a 3 term maximum on the number of terms of office a Trustee can serve.

CHSW will ensure it maintains and enhances its own accountability and wider public confidence in its work by:

- Engaging effectively with the community it serves
- Responding equitably to the needs of its users
- Endeavouring to ensure a mix of Trustees that reflects the mix of CHSW beneficiaries and its local communities.

New Trustees are offered a programme of induction which includes reading a certain amount of literature, meeting with some of those who lead the charity, and gaining some first-hand experience of situations in which we work. The programme of induction contains the following elements:

- A document pack including:
  - Charity structure chart
  - Governing documents and governance policies
  - Strategic plan
  - Latest annual report
  - Latest management accounts
  - Risk register
  - Annual meeting schedule
- Meeting key personnel including the chair of Trustees and individual members of the SMT
- Taking a tour of one of our hospices and meeting with the Head of Care
- Attending a welcome day with other new staff
- Spending time on a shift, working with the Care Team, pending restrictions
- Attending other key events, fundraising events and a Friends Group conference.

Management

The day-to-day operation of the charity is carried out by SMT, listed on page 58, who have delegated responsibility and are employees of the charity.

All members of SMT report to the Chief Executive Officer (CEO), Eddie Farwell, who oversees all operational and strategic matters. In June 2024 Eddie Farwell announced his intention to retire from the charity in March 2025 after leading the charity for the last 20 years. The Trustees are working on a succession plan and are looking to announce his replacement as soon as they are able.

Care throughout the charity was provided under the direction of the Director of Care, Allison Ryder until her leaving CHSW in February 2024. This position is currently being covered on an interim basis by Claire Kilby (CHSW Deputy Director Care, Clinical) and Dr Alison Stephens (CHSW Deputy Director Care, Children, Families and Psychological Services).

The Director of Marketing and Communications and Acting CEO, Jessica Patel, oversees marketing and communication issues together with IT services. As Acting CEO, Jessica provides interim ongoing cover and responsibility for the CEO position.

The finance function is overseen by the Director of Finance and Retail, Jonathan Webber. Jonathan is also the Company Secretary and is responsible for retail trading operations. The Director of HR, Daphne Sands, is also responsible for facilities management and health and safety. The Fundraising Team work under the direction of the Director of Fundraising, Paul Courtney.

SMT remuneration, including that of the CEO, is reviewed annually by the Governance Assurance Committee. Senior management remuneration is established and reviewed periodically based on the Hay Group methodology in respect to job evaluation and having due regard to CHSW's duty to ensure the best value and after taking advice on pay levels, market conditions and other relevant factors.

Other than allowable business expenses, CHSW makes no payments in addition to the basic salary to the CEO and SMT for undertaking their core role. Any authorised additional hours will be subject to the conditions in line with all staff.

Employees

CHSW is committed to the principle of equal opportunities in employment and recognises its obligations under the Equality Act 2010. CHSW declares its opposition to any form of less favourable treatment, whether through direct or indirect, associated or perceived discrimination accorded to CHSW staff, or job applicants, on the grounds of their race, nationality or ethnic origin, disability, sex, age, sexual orientation and gender reassignment, marital and civil partnership status, pregnancy and maternity, religion or belief, (otherwise known as 'protected characteristics' as defined by the Equality Act 2010), including Human Rights.

CHSW is committed to creating a positive culture of respect for all CHSW staff, promoting positive practices and valuing the diversity of all individuals and communities.

CHSW embraces and recognises the importance of diversity, that different people bring different perspectives, ideas, knowledge and culture, and that this difference brings great strength as well as contributes to employee wellbeing and engagement.

CHSW aims to create a culture that respects and values each person's differences, promotes dignity, equality, diversity and inclusivity, and that encourages individuals to develop and maximise their true potential.

We expect commitment and involvement from all CHSW staff, partners and providers of goods and services in working towards the achievement of our aim. Continued close attention is paid to the health and safety of employees while at work, and all employees are provided with appropriate training in compliance with our CHSW Health and Safety Policy.

Employee views are sought through several forums including 121s, team meetings, steering groups, staff surveys and the Staff Council. CHSW's strong 'Speaking Up' culture is also supported by a team of Freedom to Speak Up Champions from across the charity which includes a Trustee. No concerns were raised via the Whistleblowing Policy this year. Information concerning the charity and its activities and performance are shared with employees through several channels including Internal Communications via email, the Staff Intranet, and Site Meetings.

Engaging with our stakeholders

The CHSW Trustees set out to define discrete stakeholder groups and recognise many of them have complementary interests and shared priorities. Stakeholders include babies, children and young people living with life-limiting conditions, their families, donors, staff, volunteers, ICBs, local communities, contractors, suppliers, and our Patron.

The Trustees have a strategy for regular and effective communication with these stakeholders about the charity's purposes, values, work and achievements. Examples of this include marketing strategies and a family engagement programme.

The Trustees communicate how the charity is governed, who they are, and decisions made through the CHSW website and the Trustee Annual Report. The Trustees ensure that stakeholders have an opportunity to hold the board to account through agreed processes and routes such as Friend's Group Conferences, Volunteer Appreciation days, Parent Forums, Parent Feedback Questionnaires, Staff Council and regular Staff Surveys.

The Trustees make sure there is suitable consultation with stakeholders about significant changes to the charity's services or policies.

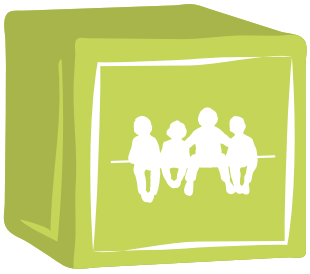
Memberships

To assist in its decision-making and to ensure current and best practices are always followed, the charity is an active participant in the membership of several not for profit organisations. These include the following:

- Hospice UK
- Together for Short Lives
- Fundraising Regulator
- Charity Retail Association
- Hospice Lottery Association
- Gambling Commission
- The Lotteries Council.

Related parties

CHSW has a trading subsidiary C H S W Promotions Limited which is responsible for the sale of all new goods, including Christmas cards. The relationship between the 2 organisations is set out in a memorandum of understanding.



Charity governance code

CHSW is a not-for-profit organisation which aims to follow charity sector best practices. The Charity Governance Code for larger charities was adopted into our new Governance Framework, which was completed in March 2021. The code sets out the principles and recommended practices for good governance and is a tool for continuous improvement towards the highest standards.

Our governance and risk frameworks were reviewed and updated last year. Our focus for this year will include Trustee recruitment and continuing with our stakeholder's voice reviews to support the strategic development of our care.

Energy and carbon reporting

Phase 3 of the Government Energy Savings and Opportunities Scheme (ESOS) was completed in quarter 4. Action planning to respond to the ESOS recommendations are in motion and will form part of our 5 year plan, this will be managed by our Facilities Team. An Environmental role has been established to support taking the CHSW green agenda forward.

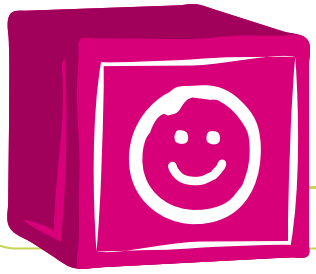
In the year ended 31 March 2024, the charity's annual energy usage was **1,585,776kWh** (2023: 1,526,541kWh) which equates to **328,367 CO2e** (2023: 341,654 CO2e). When assessed against the charity's charitable spend of **£12,015,554** this gives an intensity ratio of 1 CO2e: **£36** charitable spend.

CHSW completed its second Annual Green Agenda Report for 2023 to 2024. The achievements and actions taken against our stated ambitions include:

- Installation of electric vehicle charging points at Charlton Farm
- Making steps towards improving our impact of travel include updates to our company travel policies to include mileage allowance for travel by bike and carrying passengers; an increase in our lease allowance to allow for hybrid/plug-in vehicles; and a move to hybrid company cars for our Area Retail Managers
- Completing the LED lighting upgrade at Little Bridge House and continuing this at Charlton Farm and Little Harbour
- ESOS Phase 3 compliance.

Reference and administration

Company number	02620879
Charity number	1003314
Trustees	Stephen Hindley CBE, DL David Turner Karen Rogers (resigned 10 October 2024) Nicola Mason Patricia Morris Alan Broughton Roger Knight (Treasurer) Elizabeth Childs (resigned 12 January 2024) Kate Martin (resigned 7 March 2024) Stewart Davidson Andrew Gould Ethna Bashford (appointed 10 October 2024) Jessica Steevens (appointed 10 October 2024) Caroline Tilley (appointed 10 October 2024) Samuel Bedford (appointed 10 October 2024)
Our patron	Her Majesty The Queen
Secretary	Jonathan Webber
Registered office	Little Bridge House, Redlands Road, Fremington, Barnstaple EX31 2PZ
Senior Management Team (SMT)	Chief Executive (CEO): Eddie Farwell MBE, Hon LLD Director of Marketing and Communications and Acting CEO: Jessica Patel Director of Care: Allison Ryder (resigned February 2024) Deputy Directors of Care: Alison Stephens and Claire Kilbey Director of Finance and Retail: Jonathan Webber Director of HR: Daphne Sands Director of Fundraising: Paul Courtney
Advisors	Principal Bankers: Barclays Bank Plc, 3rd Floor, 3 Bedford Street, Exeter EX1 1LX Principal Solicitors: Burges Salmon LLP 1 Glass Wharf, Bristol BS2 0ZX Investment Managers: LGT Wealth Management UK LLP 15 Queen Square, Bristol, BS1 4NP Investment Managers: Sarasin & Partners LLP Juxon House, 100 St Paul's Churchyard, London EC4M 8BU Independent Auditor: Crowe U.K. LLP Statutory Auditor 4th Floor, St James House, St James Square, Cheltenham GL50 3PR



Fundraising standards

Valuing our supporters and upholding high standards

Children's Hospice South West is committed to ensuring that all our wonderful and varied fundraising methods are safe, respectful, transparent and accountable at all times. We are fully registered with the Fundraising Regulator which enables people to give with confidence. We also ensure that all regulatory updates and developments are acted upon and shared with all Fundraising Teams and Volunteers, with a commitment to a consistent training and monitoring programme. This includes annual training on the Code of Fundraising Practise. In addition to regulatory compliance, we actively encourage and provide opportunities for our Fundraising and Marketing Teams to attend conferences and training (in-person and online) that keeps them up to date with sector trends, developments and innovations in fundraising.

The high standards of fundraising that we expect of our teams also extend to those acting on behalf of CHSW. Volunteers receive extensive training to ensure they are up to date with the standards set out in the Code and any agencies or commercial participators to whom we entrust the CHSW brand must demonstrate their commitment to and active compliance with the Code both before work commences and during ongoing work.

In the year to March 2024, CHSW was supported by 2 external agencies to increase the membership of our Raise a smile Lottery, Engage & Connect and The Fundraising Partnership. Both agencies carried out door-to-door and venue-based fundraising. All canvassers employed by both agencies receive rigorous training that is monitored and consolidated by annual training delivered by CHSW's Director of Fundraising. Regular reviews of agency activity, quality assurance calls and questionnaires, and a spot-check mystery shopping framework all help to ensure that CHSW's highest standards are reflected by those employed by these Professional Fundraising Organisations.

During the year, there were several Cause Related Marketing (CRM) agreements with companies partnering with us to raise funds. These agreements were reviewed regularly to ensure companies are acting in line with the standards expected at all times and represented no reputational risks. No agreements are entered into without due diligence and adherence to CHSW's Ethical Fundraising and Donation Acceptance Policy.

Everyone at CHSW is committed to behaviour and communications that ensure no potential or existing supporter ever feels under undue pressure to support our work and protects vulnerable people. Our policies and ongoing training underpin and help us maintain this commitment.

While we are committed to very high standards, there are times when we do receive complaints and people feel the need to raise a concern about our fundraising. The following table provides a record of complaints and concerns raised in the year 2023 to 2024:

Department	Complaint	Concern raised
Head Office	1 (2023: 0)	0 (2023: 0)
Fundraising	2 (2023: 1)	1 (2023: 3)
Marketing	0 (2023: 4)	1 (2023: 0)
Lottery	4 (2023: 5)	4 (2023: 1)
Database Administration	2 (2023: 0)	1 (2023: 2)

All complaints and concerns were reviewed and resolved in line with CHSW's Complaints policies and no further escalation or involvement of external regulators was required.

Registered with FUNDRAISING REGULATOR

GAMBLING COMMISSION

THE LOTTERIES COUNCIL

children's hospice
SOUTH WEST

www.chsw.org.uk
enquiries@chsw.org.uk

Little Bridge House
Redlands Road, Fremington, Barnstaple, Devon EX31 2PZ
01271 325 270

Charlton Farm
Charlton Drive, Wraxall, North Somerset BS48 1PE
01275 866 600

Little Harbour
Porthpean Road, Porthpean, St Austell, Cornwall PL26 6AZ
01726 871 800

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CHILDREN'S HOSPICE SOUTH WEST

England & Wales - Charity number 1003314

Accounts

children's hospice SOUTH WEST

Annual Report and Financial Statements

For the year ended 31 March 2023

Making the most of short and precious lives across the South West

www.chsw.org.uk

Registered Charity No. 1003314 Company No. 02620879 (England and Wales)

“Thank you all so much for taking such amazing care of us. You have managed to take us from dark places at times and made us laugh, smile and feel happy again. Starting to come here was one of the best decisions ever! It really has been our ‘happy place.’”

Welcome to our Annual Report 2022 to 2023

Our Strategic Plan for the period 2020 to 2025 set out ambitions which would lead to substantial growth in income to enable the expansion of our care services. Coronavirus (COVID-19) during 2020 to 2022 produced a seismic shock to these ambitions and retrenchment became imperative. A Response Plan was agreed in which we confirmed that our overarching objectives held good but that it would take at least 2 years to return to previous levels of service and income.

This Annual Report covers the period 2022 to 2023 when the Government finally removed the domestic legal restrictions for COVID-19. We still, however, had to follow the NHS guidance for quite some time into the year. By the end of the year, we were welcoming increased numbers of children, young people and their families back into our 3 hospices as well as continuing to deliver care virtually and in their homes. This is now our established Care Model offering different choices to families of how they receive support. We are caring for children and young people with increasingly complex needs that require greater levels of expertise and we have also seen an increase in the number of babies referred for end of life care.

Throughout the year we have continued to experience the impact of staff or their close contacts testing positive for COVID-19. Coupled with the impact of the national shortage of qualified nurses with the skills and experience we require to deliver complex care to children and young people with life-limiting illnesses, it is fair to say the year has been challenging. Despite this, we are pleased to report that we consistently deliver our care and support to a high standard, often over and above those required by regulation.

Notwithstanding the above, we were able to make further substantial investment in our care services.

Supported by our prioritisation tool, the Hospice, Home and Virtual Care Model was further developed. This assisted with making sure our resources were better targeted, ensuring that we were able to support families when they needed us most.

In financial terms the year produced unexpectedly positive results, income from voluntary fundraising and retail profitability recovered to pre-COVID-19 levels. In particular, the charity experienced an unexpectedly very large rise in legacy income. The latter was a major contributory factor to a year end surplus which in turn enables us to sustain our investment in care services as well as meet the severe challenges caused by inflationary pressures.

For Children's Hospice South West to thrive we first rely on the continued incredible support from all parts of the community. This enables our staff to provide the best possible service. To supporters, volunteers and staff we extend our grateful thanks for enabling Children's Hospice South West to thrive in challenging circumstances.

We commend this Annual Report and Financial Statements to you.

Tricia Morris
Chair of Trustees

Eddie Farwell MBE
Co-Founder and
Chief Executive

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Trustees' report (including the strategic report) for the year ended 31 March 2023

Our objectives and activities

Our purpose, vision and ethos

Our purpose is to make the most of short and precious lives and to put children, young people and their families at the centre of all we do.

Our vision is to provide high quality care to every child and young person in the South West who may not live to their 18th birthday.

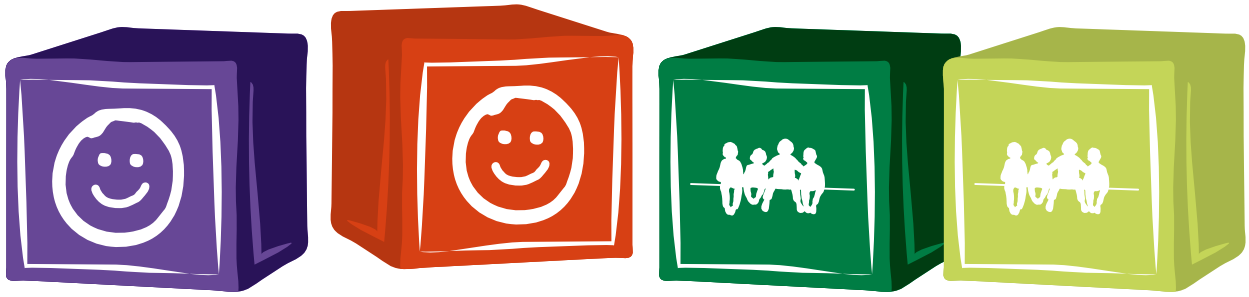
Our ethos is to ensure that everyone (Trustees, staff and volunteers) places children, young people and their families at the centre of the organisation.

To achieve this, everyone will be expected to promote a strong, caring, community environment, characterised by a culture of sensitivity, trust, consideration and respect for others.

Organisational principles

Our ethos gives rise to a set of principles which determine how Children's Hospice South West (CHSW) as an organisation operates on a day to day basis. We will:

- Be an organisation which places children, young people and their families at the heart of all that we do
- Continually engage with and listen to our children, young people and families, employees, volunteers and supporters
- Ensure that diversity, integrity, quality and respect are an integral part of all that we do
- Ensure that all staff, volunteers and supporters are valued and appreciated
- Ensure that everyone has the tools to do their job and is provided with appropriate opportunities to develop and gain new skills
- Be ethical, open, honest and compliant in all that we do
- Be one organisation with common goals while tailoring services to individual families, and according to individual need
- Work collaboratively with our colleagues and external partners
- Spend the money we raise wisely with our focus being on the care we provide
- Be safe, efficient and environmentally aware.



Our core values and behaviours

Everyone working for, or on behalf of CHSW will act to or with:

Care and respect for each other:

- Recognising and accepting our responsibility for safeguarding children and adults, protecting them from harm
- Acting fairly and with consideration, treating others as we would wish to be treated ourselves
- Finding out what other colleagues do, encouraging them and recognising the value that each brings to the organisation
- Embracing and recognising the importance of difference and diversity.

Honesty, openness and accountability:

- Behaving with openness, integrity and honesty
- Communicating swiftly and openly and listening to the views of others respectfully
- Taking responsibility for their own actions and being accountable for them
- Sorting out mistakes and concerns swiftly and without fuss.

Strive for excellence:

- Seeking to continuously develop and improve for their own benefit and the charity
- Always protecting the reputation of the charity
- Celebrating success.

Work together:

- Ensuring dynamic and harmonious team working to achieve success
- Working with and involving our families, supporters and volunteers, understanding who they are and what their needs might be
- Making the best use of organisational resources; having regard for sustainability, efficiency and respect for the environment.

Our strategy

Following a review in September 2022, our strategic aims extending to March 2026 were reviewed, extended and agreed:

Care

We remain committed to providing high quality, safe care and support to children and young people who may not live to their 18th birthday. This includes hospice care for the whole family and being responsive when families need us most, including at the end of life and support during bereavement. Our focus is to develop our care sustainably, ensuring we utilise our 3 hospice bases and be there when families need us most.

Strategic priorities to deliver this aim by 2026:

- To have a Care Model that ensures we have capacity to offer hospice care to children, young people and families
- To develop and grow our clinical expertise and resilience to respond when families need us most
- To offer families choices with flexibility on how they access our care and where they wish to be at the end of life
- To build on the support on offer including psychological support and sibling support.

Funding

To afford our care objectives by delivering a step change in income generation to deliver additional annual income in excess of £2 million (minimum) by 2026.

Strategic priorities to deliver this aim by 2026:

- Diversifying and developing voluntary income streams
- Growing and strengthening retail (including Gift Aid)
- Growing net income from CHSW Lottery
- Securing long term legacy pipelines
- Securing continuing statutory funding (and increasing where possible).

Marketing

To re-energise our brand awareness and re-establish our positioning, ensuring we remain a leading brand name in the South West and the charity of choice for charitable giving.

Strategic priorities to deliver this aim by 2026:

- Research and benchmark brand/hospice awareness, including review of logo recognition and evolution of brand identity
- Introduction of a campaign approach to drive brand awareness and donor acquisition
- Defining and segmenting target audiences with clear messaging to ensure donor retention and donation growth.

Progress against our strategic aims will be monitored, reviewed, and evaluated by the Senior Management Team (SMT) on a regular basis and by the Assurance Committees through Key Performance Indicators (KPIs) and Board reports at each meeting (currently 4 times per year).

These strategic objectives are due to be reviewed in November 2023 and will be considered in-line with any ongoing challenges in relation to the recruitment and retention of care staff.

Public benefit

The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives. The benefits are clearly set out in the achievement section on page 6 to 13. The Trustees review the activities of the charity against its aims and objectives on an ongoing basis and are satisfied that all activities continue to be related to its purpose. The beneficiaries are children and young people living with life-limited and life-threatening conditions and their families. A referral process is in place, with clear guidance on criteria, to ensure that those who meet the criteria are offered support by the charity.

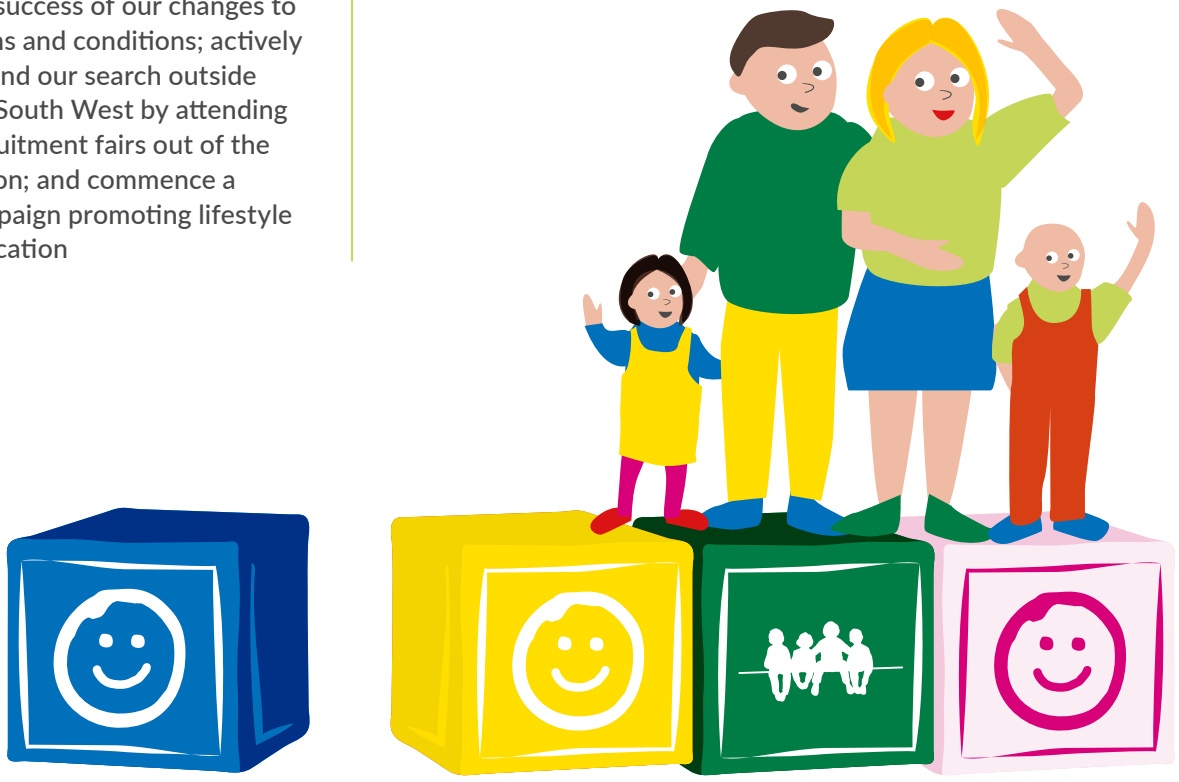
Our achievements in 2022 to 2023

2022 to 2023 objectives	What we achieved
1 To develop the service offer of care to families, while supporting COVID-19 recovery with a focus on increasing capacity and reach of care services to children, young people and families. This requires recruitment, supporting the education and development of our staff and collaboration with other providers.	Hospice activity significantly increased this year with 1,170 more bed nights than the previous year, reflecting increased activity across the 3 hospices as COVID-19 restrictions have lifted. We have embedded our Care Model of hospice, home and virtual support, enabling families to have choices while being responsive. A collaborative approach has reduced hospital stays enabling more children to stay at home. Investment has led to an increase of nurses and carers in each hospice. Despite COVID-19, we have supported the training and development of Non-Medical Prescribers.
2 To continue to develop and embed our Workplace Health, Safety and Wellbeing Strategy in response to the changing external environment with particular focus on emotional and financial wellbeing.	2022 to 2023 focused on emotional and financial wellbeing in recognition of the cost of living increase; a midyear back-dated pay award was made to all staff in recognition of this. Financial wellbeing management guidance was rolled out to managers to support their staff with signposting to our Employee Assistance Programme. Menopause awareness training commenced across the charity, and our Managing Stress Framework was published.
3 Action our capital budget to support our business infrastructure and development.	In the year, we spent more than £900k on capital investments to improve and enhance our 3 hospices, retail network and business infrastructure. While this spend was below our budgeted capital plan, we will pursue this continued investment into 2023 to 2024.
4 With a new Fundraising Strategy in place, we will return income to pre-COVID-19 levels through community fundraising and corporate partnerships in 2022 to 2023. We also hope to learn about how events return and play a role in bringing people together to raise funds for our vital work. Our increased resource for Individual Giving will help deliver a rejuvenated strategy to maximise opportunities.	Community fundraising income returned to pre-COVID-19 levels and support from businesses is also recovering strongly. We have welcomed back thousands of people to a broad range of events including Rainbow Run, Bear Hunt and Santas on the Run which is helping us plan future successful events.
5 To continue to look for more fit for purpose shop sites and undertake a refurbishment programme of our existing shops. In addition to invest more in the existing shop resource model (to provide resilience) and invest in the shop IT support.	During the year, we refurbished and reopened 4 shops while planning the refits of 3 others. We invested significantly in new IT hardware and dedicated IT retail support; and undertook an extensive procurement process to identify a new Electronic Point of Sale (EPoS) system to maximise retail Gift Aid. The implementation of this EPoS will begin in summer 2023. We continue to increase paid staff resources where it's required to increase shop productivity.
6 To continue to develop fresh marketing strategies to increase donor acquisition and retention, and reach new audiences, with a focus on planning, brand engagement, content development, analysis, and evaluation.	During the year, we reached more supporters through social media presence, audio and visual content, and targeted Google and social advertising. We developed more strategic marketing plans around donor journeys and individual communications plans using data and analytics to inform decisions. We sent more than 155 targeted enewsletters and increased our database by 9k individual supporters. We welcomed 38k visitors to our website with online donations totalling £323k during the year.

Our key objectives for 2023 to 2024

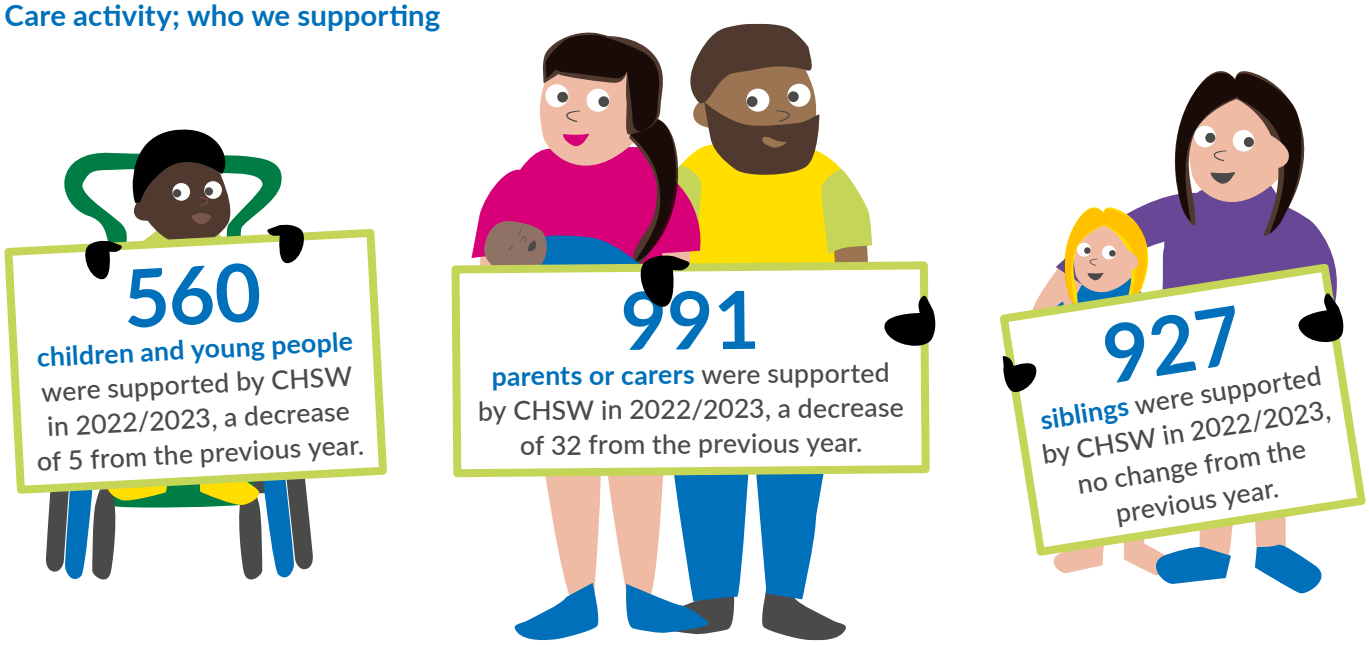
The quality improvement priorities below are in-line with the priorities set out in the Strategic Plan and a continuation of last year's:

1. We will develop and grow our clinical expertise to meet the changed nature of demand. We will offer families more flexibility about how they access our care and where they wish to be at the end of life. We will continue to develop and increase the ways we engage with families and increase mechanisms to gather service user feedback
2. During the year, we will implement a digital clinical records system as part of the Care Clinical Information System (CIS) programme
3. We will progress our recruitment and retention strategy, with a particular focus on nurses. To do this we will promote and evaluate the success of our changes to terms and conditions; actively extend our search outside the South West by attending recruitment fairs out of the region; and commence a campaign promoting lifestyle relocation
4. To continue to develop and evolve our workplace health, safety and wellbeing plans with particular focus this year on workplace culture. To do this we will respond proactively to the relevant finding from our bi-annual staff survey, and work collaboratively to assess our strengths and where change will be positive
5. We will develop and embed new stewardship plans across all fundraising methodologies, from event participation, business partnerships and community engagement, to individual giving, lottery subscriptions and gifts in wills
6. We will develop new tools to share our impact, enabling people and organisations to see the difference their support is making
7. Continue to support individual relationship development with our growing supporter base, through the implementation of a website upgrade, and supporter database software upgrade
8. To complete our shop refurbishment and relocation programme, utilising the new open plan format where possible. In addition to rolling out a new EPoS system aimed at improving Gift Aid recovery. Later in the year, under a new retail strategy, we plan to start a programme of new shop openings.



How we have supported our beneficiaries

Care activity; who we supporting



What type of activity have we seen?

6,715
total bed nights in 2022/2023. This is an increase of 1,170 more bed nights than the previous year, which reflects the increased level of activity across the 3 hospices as COVID-19 restrictions have lifted.

4,094
family member night stays in the hospices in 2022/2023, an increase of 1,250 from the previous year*.

2,102
children or young people bed nights in 2022/2023, an increase of 399 from the previous year*.

396
day visits in 2022/2023, a decrease of 530 from the previous year but is explained by the corresponding increase of bed nights.

123
Starborn** nights in 2022/2023, an increase of 51 from the previous year*.

2,477
parent or carer nights stayed in 2022/2023, an increase of 514 from the previous year*.

1,617
sibling night stays in 2022/2023, an increase of 736 nights from the previous year*.

1,235
hospice resilience bed nights in 2022/2023, an increase of 927 from the previous year*.

867
emergency bed nights in 2022/2023, a decrease of 528 from the previous year*.

*In addition to this our Care and Medical Teams provide support and advice to other professionals caring for children and young people who are not at the hospice.
**'Starborn' is the name given to the temperature controlled room in CHSW hospices that the children or young people stay in after death.

Report from Vicky Stuckey, Head of Care and Registered Manager at Little Bridge House

As we continue to progress out of COVID-19 conditions of the last few years, it is so positive to have the opportunity to look back over the year and celebrate where we are and what has been achieved. The team here at Little Bridge House have been working hard to ensure that the families are supported in the best way.

Making memories

Christmas is a joyful time of year for most but we know it can be challenging for our families. Therefore as a team, we decided to understand what would support families at this time of year. Going to see Father Christmas or enjoying a Christmas movie is an activity enjoyed by children and young people everywhere, but may be difficult for children with complex needs whether it be because of access problems, having to undertake care when there isn't a suitable place or managing the level of sensory stimulation involved. We decided to make the whole of December 'Christmas month' and held a variety of activities for our families to enjoy. Father Christmas visited several times during the month despite his very busy schedule and was prepared for the individual needs of the children coming to see him. There were Christmas movies, craft activities, food and drink and lots of music. This was well attended and the feedback was good, both from families and our Care Team.

We also knew we had 2 families for who Christmas presented some specific challenges; the fragility of their children meant this was likely to be their last Christmas as a family. For one mum she wasn't able to have her son at home so wouldn't be able to spend the whole day with him. We felt it important to offer both families stays. They both readily accepted and were supported by the team to have the Christmas they wished for. The team ensured that the bed of the little girl was wheeled into the room with her family so they could all be together for lunch and present opening.

In these ways, the team supported a wide range of families to make Christmas memories to cherish.

What am I most proud of

How through the many changes and demands of the last few years, the core ethos has been maintained and our families have been kept at the centre of our efforts. The team have adapted wonderfully and have been so flexible and understanding of what is asked of them. Despite some pressures with staffing, the families have continued to receive responsive care that accounts for all their needs. This year has felt like an opportunity to build on past successes, learn from challenges and shape our future. There is an energy within the team and I am excited about what is to come.

Report from Karen Greaves, Head of Care and Registered Manager at Charlton Farm

The team at Charlton Farm are very proud of our achievements during the last year and want to share a handful of them. We continue to open the hospice more and have recently stopped wearing face coverings, unless requested to do so by families. We are also delighted to be able to share meals with the children, young people and families again, which is a much-loved time for all of us.

Making memories

Jacob's elves, Star and Rainbow, took him on a magical adventure to Bristol Rovers FC. The elves went above and beyond and organised for him to meet Father Christmas, his reindeer and Jacob's favourite football player, Aaron Collins.

The Care Team elves share:

"As Jacob is a fan of Bristol Rovers, we were able to secretly (or so we thought) facilitate a once-in-a-lifetime opportunity for Jacob to attend the club ground and to watch the game. Unbeknown to us all, Jacob was well aware of this as he had read his mum's emails. This really sums up Jacob's ability to surprise us. Although he was aware he was going to the game, what he didn't know was that he was also going to meet the team and was especially thrilled to meet Aaron Collins who is his favourite player.

Jacob had a brilliant day and was totally exhausted; we believe he came home with the contents of the gift shop in his chair!!"

A big thank you to Bristol Rovers FC for giving Jacob a special day to remember.

What I am most proud of

It is hard to narrow down specific things that I am proud of. My team continue to amaze me with their dedication and high standards of care, often changing their rota at short notice. They strive to provide the best possible experience for children, young people and their families, frequently thinking outside the box to be creative with activities and special celebrations for them. The high levels of end of life care and bereavement care have impacted the team, but we all remain proud and privileged to play even a small part in providing support to families at such a difficult time.

Report from Sam Hurse, Head of Care and Registered Manager at Little Harbour

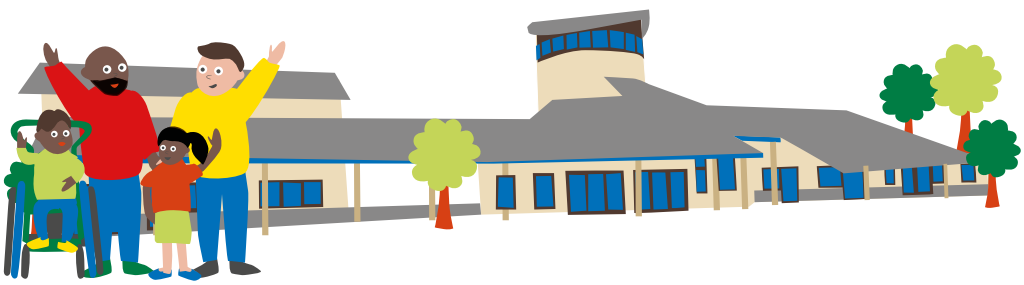
I'd like to use this opportunity to share with you all the wonderful work we have been doing at Little Harbour during the past year. Showcasing how throughout COVID-19, we have adapted our ways of working to help children, young people and families who need us the most, wherever they may be, in-hospice or at home.

Making memories

As always, we keep our ethos of making the most of short and precious lives. With this in mind, we always try to make precious memories for our children, young people and families. Last summer we gave some families the opportunity to have a boat ride in collaboration with 'Wet Wheels'. Wet Wheels is a charity that provides sea boat trips for disabled people and people with complex needs in a safe, fully accessible motor boat. In collaboration with Wet Wheels, we were able to send 96 family members on this safe boat trip. This is an opportunity that sadly lots of people in wheelchairs or who have mobility issues don't get to experience, so it was fantastic and very rewarding to see the families enjoying such a special day.

What I am most proud of

It is hard to pinpoint what I am most proud of as I am incredibly proud of the team at Little Harbour and the team ethic we have. I feel we always go above and beyond to help support our families. This has been challenging at times with COVID-19 and the effect it has had on our care provisions. However, I feel the team have been incredibly adaptable and flexible; always working extremely hard to give families much needed support.



The difference we make; meet some of our families

Permission has been sought and obtained by the parents to tell their child's story.

Alex and his family have been visiting Little Harbour since he was 4

The Care Team tell Alex's story.

"Alex has been coming to Little Harbour since he was 4 with his mum Lucie, dad Sean and little sister Faye.

Alex is now 10 and has Infantile Neuroaxonal Dystrophy, which is a rare inherited disorder affecting the nerves in the brain, and elsewhere in the body, causing deterioration of many functions. Alex has epilepsy, central apnoea and relies on oxygen 24/7 for breathing and a gastrostomy (a tube straight into his stomach) for feeding.

Alex enjoys coming to Little Harbour for resilience stays with his family; he particularly enjoys the hydrotherapy pool. Faye enjoys spending time with the Sibling Team and making friends with other family's children.

In 2022, Alex had a deterioration in his health and discussions around end of life care were started and an advanced care plan was completed. Lucie and Sean spent time thinking about what they wanted for Alex and his future, taking into consideration his healthcare needs. Their main priority was for Alex to be comfortable and enjoy his life regardless of how long that may be. The family utilised support from Little Harbour in a variety of ways.

Due to his health, Alex had a period where he wasn't able to go to school. As part of our new ways of working, we were able to offer home, hospice and virtual support. This flexibility helped us to support Alex in the best way possible. We were able to provide community shifts in the home knowing family time was a priority for Lucie and Sean. This enabled them to have time together, knowing they had help to support Alex's medical needs.

We also continued to offer resilience stays in-hospice, so the family could come in regularly for some rest and TLC. The family had regular visits which gave them something to look forward to, knowing they could have some well-earned rest and enjoy the facilities at Little Harbour with Alex and Faye.

Alex has also enjoyed Music Therapy sessions during his years at Little Harbour and more recently he has had some virtual sessions via Zoom.

Alex and his family continue to be supported by Little Harbour and dad Sean is running the London Marathon to raise money for CHSW. At the time of writing this, the family are in for a resilience stay and we are getting the staff and children to make a banner for Sean to show our support while he is running the marathon.

Good Luck Sean!"

George and his family have been visiting Little Bridge House since 2015

The Care Team tell George's story.

"George was referred in March 2015; he has Cerebral Palsy and Spastic Quadriplegia, he was born prematurely at 28 weeks and is the surviving twin of a twin-to-twin transfusion. He is now 17.

Initially, George and his family visited for regular resilience stays to get to know him and his family. George is nonverbal but quickly showed he could communicate his likes and wishes, and be very clear when he did not want to do something!

In July 2022 George was in hospital very unwell with concern he was at the end of his life. Mum was clear in her wish for George to be at Little Bridge House for his care. We began planning George's transfer while sending members of our team to the hospital to support George and Mum. During this in-reach, one of our team was able to use her knowledge and skills to understand the cause of George's distress. She was then able to support the hospital in their care.

George was transferred to Little Bridge House for end of life care on the 28 July 2022 and we made him and Mum comfortable. After careful assessment, George was put on a syringe driver to optimise his comfort.

The family spent time together making memories. We supported Mum and she talked about George's twin, who had sadly died at 3 days old, and we empowered her to include him too.

COVID-19 was ongoing so we had to consider infection control while keeping George and his family at the centre of our care. We were able to safely support visits from his wider family.

Despite being so unwell, George was able to express how he felt. We carefully communicated with him to allay his fears and empower him to make decisions. We noted a reduction in his anxiety levels; George, for the first time showed us who he was, his voice was heard. He is very funny, extremely cheeky and can tease staff without them realising. He is strong willed but sensitive, he enjoys the quiet but loves being sociable, being outside, listening to stories and pyjama days!

George's seizures continued to be medically managed us. Slowly we saw an improvement in his condition. After 9 days he was receiving symptom management rather than end of life care and his syringe driver was gradually withdrawn. We then spoke with the Community Team to explore options as he stabilised.

We participated in MultiDisciplinary Team (MDT) meetings and made plans for George to return home. We trained Mum in the care and use of nasogastric tubes and made home visits to support her and assess his progress. He returned to us in September 2022 for an emergency resilience stay to further support Mum and allow her some needed rest. Unfortunately, Mum's health deteriorated and she was admitted to hospital. This meant George went into hospital. A solution was needed to meet George's care needs and we again helped with in-reach hospital visits and community visits to his placement. We also attended regular MDT meetings and supported them with feeding advice.

In November Mum remained in hospital and George in his placement but he continued to be fragile and have health complications. We offered them a Christmas stay so they could be together and make memories. Christmas is George's favourite time of year and the snow machine in the garden was a highlight for him and the staff.

We have continued to support George and Mum. The team is now looking to transition George into adult services as he begins his next chapter."

Income generation

Thank you for making so much possible!

It has been a terrific year with thousands of people returning to events and activities across the South West; uniting in their efforts to support children, young people and families! It has been such a joy to meet so many new people while reconnecting with old friends as they all raise funds.

Our events calendar once again returned to full capacity and our Fundraising Teams have been busier than ever before, sharing stories, working with community groups and connecting with businesses from across the South West so that everyone could play their part. From Cream Teas and Christmas Tree collections to Rainbow Run and CHSW Business Club gatherings, we've been so grateful to have your support!

This year we planned to invest in growing the area of Individual Giving and we have seen a big increase in the number of people making donations; both one-off and regular gifts. The number of people playing our Raise a smile Lottery has grown by almost 3k and we have received a touching number of gifts in memory of loved ones. Once again in 2022 to 2023, we have seen a growing number of people making the most wonderful decision to leave a gift in their will, helping to secure care and support for years to come.

If you have donated, attended events, made purchases online or in our shops, or fundraised for CHSW in any way this year we want to say thank you on behalf of every child, young person and family - together we have been there for them.

Here is where some of that money came from:

Almost **17k** players in our Raise a smile Lottery helping to raise **£836k**

£6.8m received from people who chose to remember CHSW with a gift in their will.

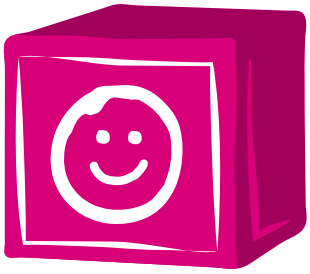
£5.2m raised in our 38 charity shops, turning pre-loved clothes and goods into precious memories.

£485k raised through CHSW events including our flagship fundraising cycle challenge, Ride for Precious Lives raising more than £250k!

Sustained growth across all our social media channels, with many supporters creating Facebook fundraisers, sharing stories of inspiration and fundraising successes in our Be Incredible group.

£914k from generous donations from Charitable Trusts and Foundations.

£3.3m raised from individuals making donations of all sizes, for so many beautiful reasons.



A big SHOUT OUT to our fabulous volunteers!

The CHSW army of volunteers have been out in force from 2022 to 2023, welcoming thousands of people through our shop doors, running community events, speaking to local groups and organisations, tending to the hospice gardens, collecting donations and flying the flag for children, young people and families at every opportunity! Thank you just doesn't seem enough to express our gratitude to all you do!

Our financial performance

The consolidated financial statement comprises the result of the charity together with those of C H S W Promotions Limited, a wholly owned subsidiary, which donates its profits to the charity. The consolidated statement of financial activities is set out on page 22.

Donations and legacies amounted to **£12,293,592** (2022:£10,282,604), income raised from charitable activities (statutory income sources) amounted to **£2,325,395** (2022:£2,234,989), trading activities (including retail and Raise a smile Lottery) generated income of **£6,122,948** (2022:£5,101,470), investment income was **£712,423** (2022:£534,176) and other income **£48,422** (2022: £155,857).

Total income for the year was **£21,502,780** (2022:£18,309,096).

Total expenditure for the year amounted to **£16,824,703** (2022:£14,882,416). This resulted in an operational surplus of **£4,678,077** (2022:£3,426,680). Total net gains on investments, property and land was **£118,375** (2022:gains £456,920) and therefore net income for the year was **£4,796,452** (2022:£3,883,600).

Consolidated in the above figures C H S W Promotions Limited, a trading subsidiary, has a turnover which amounted to **£353,396** (2022:£284,861) and a profit after taxation of **£22,657** (2022:£11,497). The company will donate this amount to the charity.

During 2022 to 2023 our recovery from the financial impact of COVID-19 continued with income levels encouragingly increasing across the majority of our voluntary donation income streams. This continues as we move into the 2023 to 2024 financial year and are very thankful to our all supporters for their help in achieving this recovery and ongoing growth.

During the year, we were very grateful to receive a continued exceptionally high level of legacy donations. Legacy receipts are always a significant part of CHSW's annual income but, by their very nature, can be difficult to predict and their level can vary significantly, both up and down, from 1 year to the next.

Where we received our income

Legacies
£6.9 million -32%

Trading - lottery and shops
£6.1 million - 28%

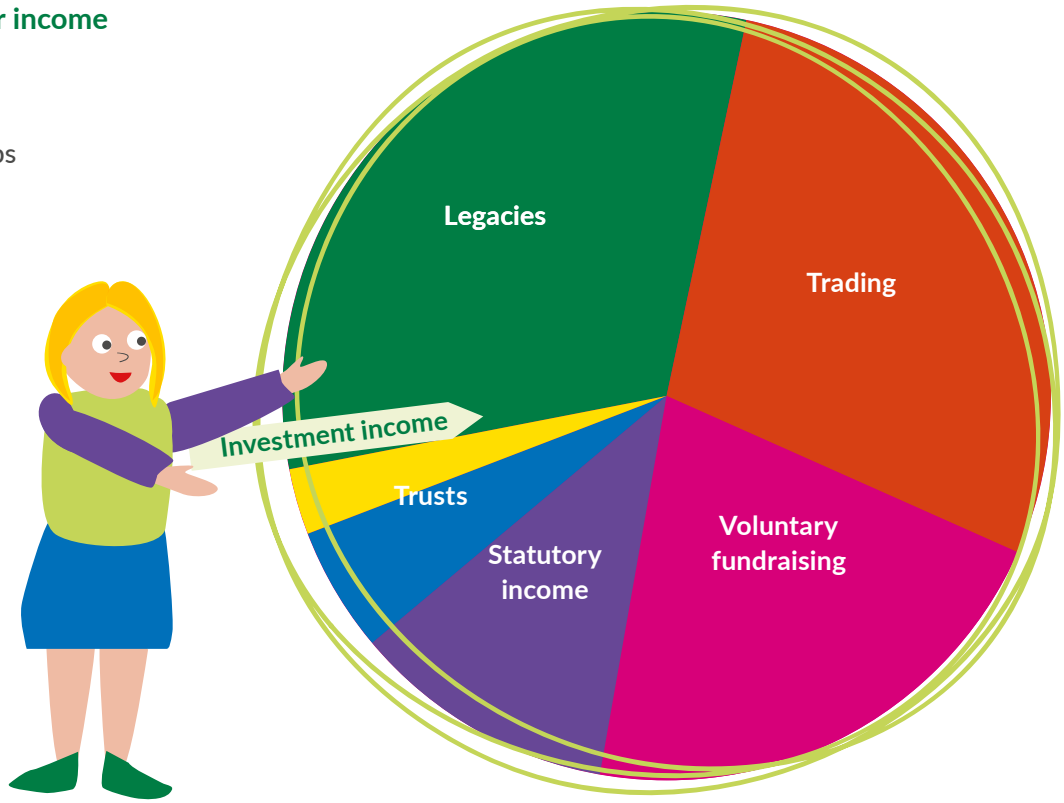
Voluntary fundraising
£4.5 million - 21%

Statutory income
£2.4 million - 11%

Trusts
£0.9 million - 5%

Investment income
£0.7 million - 3%

Total - £21.5 million



Our legacy income in 2022 to 2023 amounted to **£6,840,008** which is more than 32% of all our income and more than £1 million higher than 2021 to 2022. We are very encouraged by the continued growth seen from our legacy incomes which will help to support the long-term investment in our care development.

During the year all our shops have traded very strongly as they continue to benefit from fantastic local community support and the cost of living crisis together with the ever-increasing public interest in making sustainable purchases. Total shop income (including related Gift Aid receipts) achieved its highest levels ever at nearly **£5.2 million** as compared to £4.4 million in 2021 to 2022.

In 2023, agricultural land in Yatton was revalued upwards by £1.5 million to reflect the granting of planning permission to build residential homes on it. The valuation was established by an external surveyor and it is expected that a further upward increase will be required as the project progresses in 2023 to 2024. This gain helped to offset significant losses on our market investments held during the year, reflecting the global downturn of equities and bonds in the year.

During the year our expenditure in relation to our care of children, young people and families increased by more than 10% on the previous year. This reflects during the year the increased activity and support given at all 3 hospices following the easing of the COVID-19 restrictions with the charity being able to welcome families back for resilience and end of life care.

It should be noted that the increase in income and net income (after expenditure) reported in 2022 to 2023 has been largely driven by the unprecedented level of legacy receipts and the strong performance of our retail shops.

We recognise the positive level of net income that has been generated during the year and are very grateful to all our supporters and donors who have helped us achieve this. We are very mindful that the impact of the cost-of-living crisis and the corresponding pressure on wage inflation will be felt for a number of years. It is therefore anticipated that the surplus generated in 2022 to 2023 will be used to support the charity during the ongoing economic challenges and to ensure the continuance of its care delivery into the future.

Where we spent our income

Trading activities
£4.9 million - 29%

Charlton Farm
£3.6 million - 21%

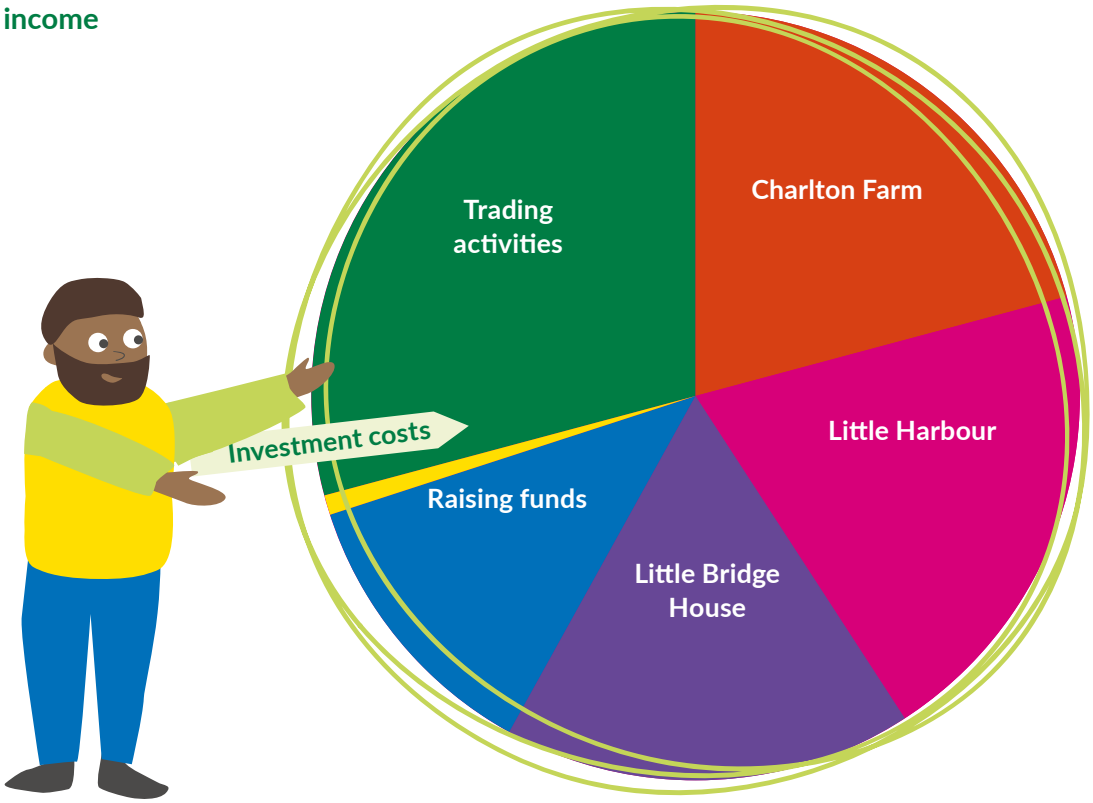
Little Harbour
£3.3 million - 20%

Little Bridge House
£2.9 million - 17%

Raising funds
£2 million - 12%

Investment costs
£0.1 million - 1%

Total - £16.8 million



Our financial reserves

We recognise our commitment and moral obligation to the children, young people and families who currently use our hospices, will extend many years into the future. It is imperative, therefore, for us to maintain unrestricted general reserves at a level that will ensure the continuity of the unique care provided by the charity while recognising that the charity is facing a period of significant economic uncertainty.

In establishing the CHSW reserves policy, we have taken guidance from the Charity Commission's guidance CC19, by using an integrated approach for an organisation with complex activities and structures. This involves projecting cash flows during the next 3 years and identifying key risks associated in this period, with both income and expenditure, while also considering already committed expenditure. From this work, looking forward, it has been determined that CHSW should maintain a target range of unrestricted general reserves of between **£16,783,443** and **£19,215,828**.

The charity's unrestricted general funds (free reserves) were at a level of **£18,067,132** (note 19) as of 31 March 2023 (£18,116,361 as of 31 March 2022). We note that the group's unrestricted general funds are within the target range set above.

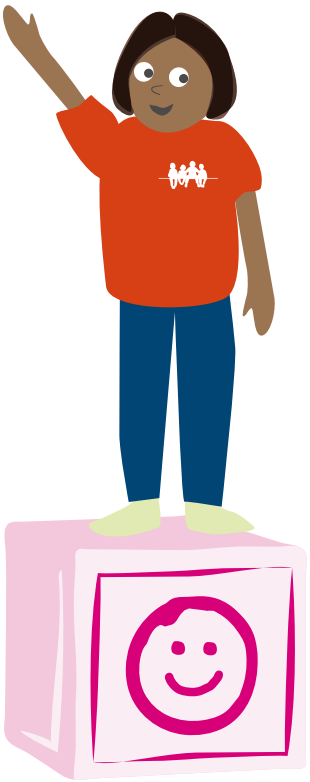
Designated funds are **£26,394,329** (2022: £27,510,380) and represent the net book value of the unrestricted tangible and intangible fixed assets of the group in addition to **£6,890,018** designated for the CHSW Care Endowment Fund (CCEF).

On 14 July 2022, the CCEF was formally and legally set up to provide an additional income stream from long-term investments to support future care developments and reduce future dependence on fundraising and trading activity. The need for this fund has been highlighted during the COVID-19 crisis where voluntary and trading incomes have been found to be vulnerable. The CCEF is expendable and will also be used to finance care, operational and developmental opportunities in the future if unrestricted general reserves fall below their required lower target level. On the 31 March 2023 the CCEF amounted to **£3,987,446**. During the year £2,917,703 was designated for transfer to the CCEF in the 2023 to 2024 year.

Our investment approach

The charity's investment policy requires CHSW to invest funds in such a manner that the risk profile reflects planned expenditure and future plans.

In 2019, we secured the services of an external independent investment advisor to undertake an investment risk profile review and to provide an ongoing expert assessment of the performance of our appointed investment managers. At the beginning of the 2020 to 2021 financial year, as part of good governance, a formal retendering process in relation to investment management services was undertaken, which included a review of investment performance and charges. As a result of this work, Aberdeen Standard Capital Limited and Sarasins & Partners LLP were appointed as CHSW investment managers going forward. As part of this restructuring of investment managers, CHSW investments were rebalanced and divided into a lower and higher equity exposure fund allocation. The minimum performance requirements of these invested funds have been set as Consumer Price Index (CPI) +3% for the lower equity exposed fund and CPI +4% for the higher equity exposed fund.



How we manage risks and uncertainties

CHSW has a clear Risk Management Framework in place, overseen by the Trustee Governance Assurance Committee as delegated by the Board of Trustees. CHSW undertake a continual assessment of the principal risks facing the charity and are satisfied that adequate preventative and mitigating measures are in place to reduce the risks to an acceptable level. All risks identified are recorded on the CHSW Risk Register and scored based on impact and likelihood in line with the Charity Commission's guidance CC26, based on the scores, the risks are prioritised using a Red, Amber or Green rating.

The CHSW agreed process for reviewing risk, is as follows:

- SMT will meet weekly to monitor and review current risks; and share, record and escalate any new or emerging risks as appropriate
- SMT will meet as the Risk Management Committee every quarter where the risk register is reviewed and updated. Identified risks may be added to the register at any time
- Each item on the risk register is owned and overseen by the relevant Assurance Committee as a standing item at each of their meetings (currently 3 times per year)
- The Governance Assurance Committee will take assurance from the Chairs of each Committee that their relevant risks have been reviewed and mitigated to satisfactory levels
- Where assurance cannot be given, further review/oversight or Internal Audit may be recommended or pursued
- The Governance Assurance Committee will report to the Board annually.

Current red risks

Recruitment: The inability to recruit and retain children's nurses as reflected in the national picture remains an ongoing and challenging red risk for CHSW. A nurse recruitment and retention options appraisal was commissioned by the Trustees in June 2022 which reviewed a number of different approaches to address this risk. A package of options was chosen and implemented from 1 January 2023, alongside an intensive recruitment and marketing campaign. The impact has been an uplift in nurse appointments at all 3 hospices in the first 3 months of 2023 and this work continues into 2023 to 2024 with monitoring and evaluation in place.

Safeguarding issues arising: Safeguarding is a top priority at CHSW with stringent policies, procedures and mandatory training in place for all staff up to Safeguarding Level 5. We continue to be vigilant and diligent; audit our policies and practices carefully; and embed our values and behaviours to reflect our ethos and duty of care.

Failure of cyber security: Reflecting the ongoing global rise in criminal activity around data security this remains a red risk. In June 2022, CHSW successfully completed the NHS Data Security Toolkit. Also, in June 2022 a full external and internal cyber security audit and penetration test was carried out. The audit made several recommendations for increased security of our website and our internal servers which are currently being implemented and actioned. CHSW IT regularly make staff aware of new and trending security risks as threats develop. Currently, CHSW IT and SMT are considering the potential implementation of a security operations centre (an external service that would be bought into CHSW).

Included on page 48 to 51 are the charities structure, governance and management, reference and administrative detail and fundraising disclosures which also form part of this report.

Statement of Trustees' responsibilities

The Trustees (who are also Directors of CHSW for the purposes of company law) are responsible for preparing the Trustees' Annual Report (including the Strategic Report) and the financial statements, in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable 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 charity's Statement of Recommended Practice (SORP)
- Make judgements and estimates that are reasonable and prudent
- State whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions, 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 and the provisions of the charity's constitution. They are also responsible for safeguarding the assets of the charity and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

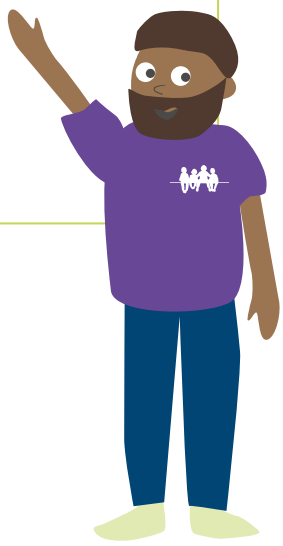
Disclosure of information to Auditors

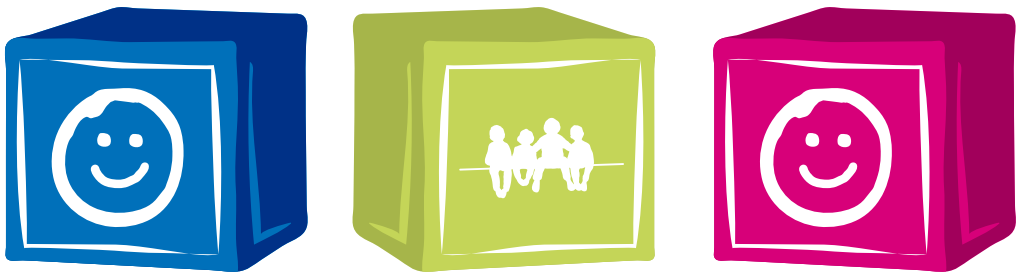
Insofar as each of the Trustees of the charity at the date of approval of this report is aware, there is no relevant audit information (information needed by the charity's auditor in connection with preparing the audit report) of which the charity's auditor is unaware. Each Trustee has taken all of the steps that he/she should have taken as a Trustee in order to make himself/herself aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

Approval

This report, incorporating the strategic report, was approved by the Board of Trustees on 12 October 2023 and signed on its behalf:

Tricia Morris
Chair of Trustees





Financial statements

Consolidated statement of financial activities

Including income and expenditure account for the year ended 31 March 2023

	Notes	Unrestricted fund £	Restricted funds £	Bayliss Endowment Fund £	Care Endowment Fund £	Total 2023 funds £	Total 2022 funds £
Income from							
Donations and legacies	1	9,997,816	2,295,776	-	-	12,293,592	10,282,604
Charitable activities: statutory funding	4	977,346	1,348,049	-	-	2,325,395	2,234,989
Trading activities	3	6,122,948	-	-	-	6,122,948	5,101,470
Investments	2	656,256	56,167	-	-	712,423	534,176
Other		40,422	8,000	-	-	48,422	155,857
Total income	5	**17,794,788**	**3,707,992**	**-**	**-**	**21,502,780**	**18,309,096**
Expenditure on							
Trading activities	3	4,928,079	-	-	-	4,928,079	3,948,812
Total income net of trading expenditure		**12,866,709**	**3,707,992**	**-**	**-**	**16,574,701**	**14,360,284**
Expenditure on							
Raising funds		2,034,869	-	-	-	2,034,869	1,969,748
Investment management fees		107,385	-	-	-	107,385	100,374
Net income available for charitable activities		**10,724,455**	**3,707,992**	**-**	**-**	**14,432,447**	**12,290,162**
Charitable activities							
Care of children, young people and families	6	6,593,562	3,160,807	-	-	9,754,369	8,863,482
Total expenditure	6	**13,663,895**	**3,160,807**	**-**	**-**	**16,824,702**	**14,882,416**
Net income before gains on investments	10	**4,130,893**	**547,185**	**-**		**4,678,078**	**3,426,680**
Net gain on property and land	13a, 13b	45,900	1,514,000	-	-	1,559,900	-
Net (loss)/gain on investments	13b	(1,328,741)		(100,230)	(12,554)	(1,441,525)	456,920
Net income		**2,848,052**	**2,061,185**	**(100,230)**	**(12,554)**	**4,796,453**	**3,883,600**
Transfer between funds	17, 18, 19	(4,013,332)	8,532	4,800	4,000,000	-	-
Net movement in funds		**(1,165,280)**	**2,069,717**	**(95,430)**	**3,987,446**	**4,796,453**	**3,883,600**
Reconciliation of funds							
Total funds brought forward	17, 18, 19	45,626,741	609,526	1,643,228	-	47,879,495	43,995,895
Total funds carried forward	17, 18, 19	**44,461,461**	**2,679,243**	**1,547,798**	**3,987,446**	**52,675,948**	**47,879,495**

The statement of financial activities includes all gains and losses recognised in the year, all income and expenditure derive from continuing activities of the group.

Accounting policies on pages 41 to 44 and notes to the accounts on page 25 to 40 form part of these statements.

Consolidated and charity balance sheet

Company number: 02620879

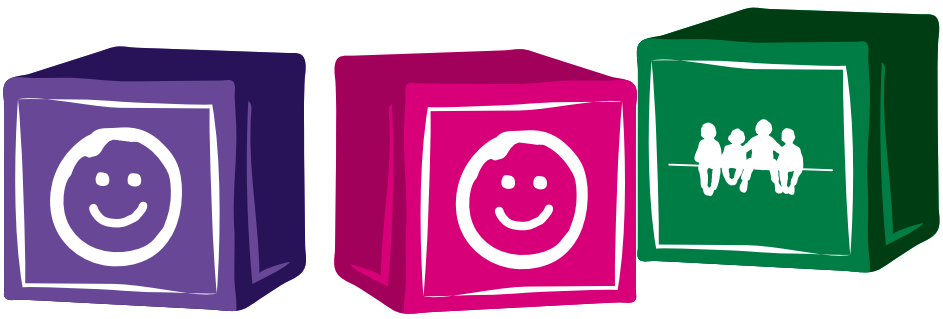
As at 31 March 2023

	Notes	Group 2023 £	Group 2022 £	Charity 2023 £	Charity 2022 £
Fixed assets					
Tangible assets	11	19,835,946	19,891,294	19,835,946	19,891,294
Intangible assets	12	48,363	26,770	48,363	26,770
Investments	13a	24,631,547	20,577,682	24,631,647	20,577,782
Total		**44,515,856**	**40,495,746**	**44,515,956**	**40,495,846**
Current assets					
Stock	14	62,502	25,592	-	-
Debtors	15	2,216,710	4,717,581	2,255,126	4,745,497
Investments	13c	-	454,944	-	454,944
Cash at bank and in hand		9,466,376	5,606,929	9,462,977	5,589,340
Total		**11,745,588**	**10,805,046**	**11,718,103**	**10,789,781**
Creditors falling due within 1 year	16a	(1,919,330)	(1,998,638)	(1,914,602)	(1,995,173)
Net current assets		**9,826,258**	**8,806,408**	**9,803,501**	**8,794,608**
Creditors falling due after 1 year	16b	(1,666,166)	(1,422,659)	(1,666,166)	(1,422,659)
Total net assets		**52,675,948**	**47,879,495**	**52,653,291**	**47,867,795**
Funds of the group and charity					
Endowment funds	17	5,535,244	1,643,228	5,535,244	1,643,228
Restricted funds	18	2,679,243	609,526	2,679,243	609,526
Unrestricted designated funds	19	26,394,329	27,510,380	26,394,329	27,510,380
Unrestricted general fund	19	18,067,132	18,116,361	18,044,475	18,104,661
Total group and charity funds	20	**52,675,948**	**47,879,495**	**52,653,291**	**47,867,795**

Of the net movement in funds for the year of **£4,796,453** (2022:£3,883,600), an amount of **£4,785,493** (2022:£3,697,549) has been dealt with in the Statement of Financial Activities of the parent company.

The financial statements were approved and authorised for issue by the Board of Trustees on 12 October 2023 and signed on its behalf:

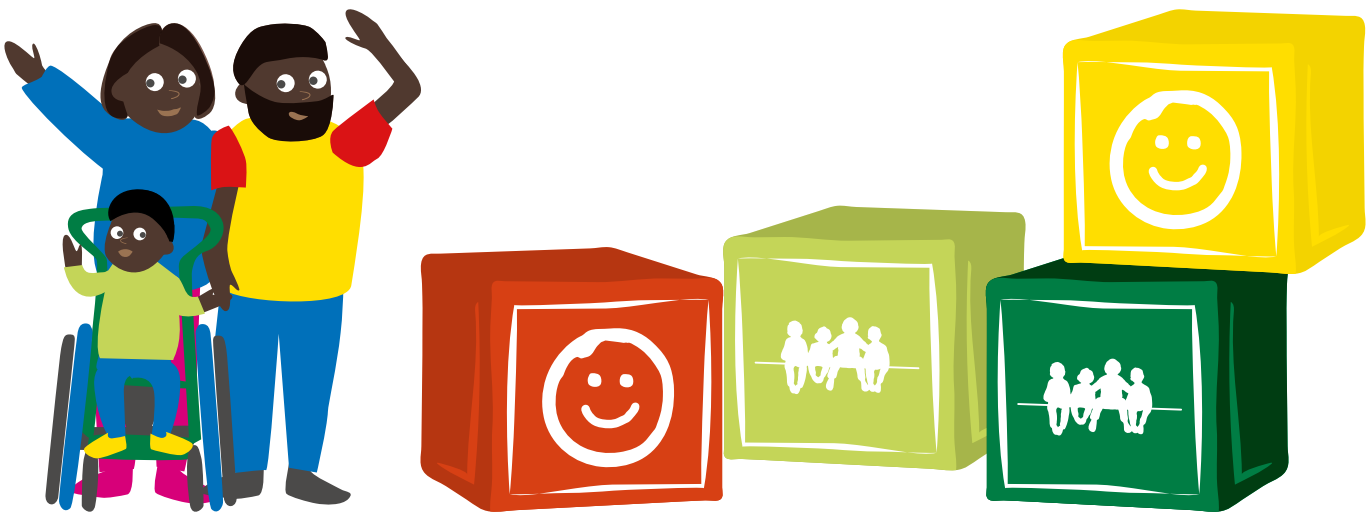
Tricia Morris
Chair of Trustees



Consolidated cash flow statement

For the year ended 31 March 2023

	Notes	2023 £	2022 £
Cash provided by operating activities	**28a**	**7,650,694**	**4,168,663**
Cash flows from investing activities			
Deposit interest received		85,170	1,464
Investment income received		574,841	429,607
Rental income received		7,126	2,744
Cash flows from investing activities		**667,137**	**433,815**
Capital expenditure and financial investment			
Purchases of tangible and intangible fixed assets		(963,228)	(379,216)
Purchases of tangible and intangible fixed assets		**(963,228)**	**(379,216)**
Proceeds from sales of tangible fixed assets		4,000	1,200
Fixed asset investments			
Payments		(4,000,000)	(5,100,000)
Receipts		500,844	-
Fixed asset investments		**(3,499,156)**	**(5,100,000)**
Capital expenditure and financial investment		**(4,458,384)**	**(5,478,016)**
Net cash provided (used in) investing activities		**(3,791,247)**	**(5,044,201)**
Change in cash and cash equivalents in the reporting period	28b	3,859,447	(875,538)
Cash and cash equivalent at the beginning of the year		5,606,929	6,482,467
Total cash and cash equivalent at the end of the year		**9,466,376**	**5,606,929**



Notes to the financial statements

For the year ended 31 March 2023

1 Donations and legacies

	Total 2023 £	Total 2022 £
Individuals	3,345,525	2,269,734
Friends Group fundraising	177,791	154,755
Legacies	6,840,008	5,570,894
Grants and donations from Charitable Trusts	913,820	844,423
Government Grant - NHS England COVID-19 funding**	15,139	260,025
Other voluntary income	1,001,309	1,182,773
Total	**12,293,592**	**10,282,604**

**The NHS England awarded funding to allow the hospice to make available bed capacity and community support from April 2020 to March 2022 to provide support to people with complex needs in the context of COVID-19.

2 Investment income

	Total 2023 £	Total 2022 £
UK	192,971	209,093
Overseas	79,161	48,947
Multi-asset funds	348,515	265,650
Income from cash deposits	85,170	1,456
Rental income	6,606	9,030
	712,423	**534,176**

3 Income and expenditure of trading activities

Trading income	Total 2023 £	Total 2022 £
C H S W Promotions Limited	353,396	284,861
Lottery and raffles	895,727	772,211
Donations relating to the sale of goods where the shops acted as agent	1,459,259	1,178,330
Gift Aid received on donations where the shops acted as agent	350,710	292,476
Shops turnover	3,063,856	2,573,592
Total	**6,122,948**	**5,101,470**
Trading expenditure		
C H S W Promotions Limited	330,739	273,364
Lottery and raffles	428,989	350,567
Shops (all associated costs including depreciation)	3,839,959	3,398,220
Dilapidations provision	328,392	(73,339)
Total	**4,928,079**	**3,948,812**

The principal activity of the charity's wholly owned subsidiary, C H S W Promotions Limited (company number 02645823) is the sale of bought-in goods, including Christmas cards, through the charity shops of the parent charity and through its network of Friends Groups and by mail order.

The income and expenditure of C H S W Promotions Limited are disclosed as 'trading' income and expenditure in the Consolidated Statement of Financial Activities on page 22.

C H S W Promotions Limited	Total 2023 £	Total 2022 £
Turnover	353,396	284,861
Total expenditure	(330,739)	(273,364)
Operating profit and profit before tax	**22,657**	**11,497**
Taxation	-	-
Profit after taxation	**22,657**	**11,497**
Retained earnings at the beginning of the year	11,697	15,725
Distribution of retained earnings as Gift Aid donation to parent	(11,497)	(15,525)
Retained earnings at the end of the year	**22,857**	**11,697**
Assets	66,136	43,268
Liabilities	(43,179)	(31,471)
Net assets	**22,957**	**11,797**

4 Income from charitable activities

	Total 2023 £	Total 2022 £
Funding from regional Integrated Care Boards (ICBs), previously Clinical Commissioning Groups (CCGs)	1,147,401	996,013
NHS England Children's Hospice grant	1,144,194	1,205,176
NHS England Superannuation grant	33,800	33,800
Total income from charitable activities	**2,325,395**	**2,234,989**

CHSW acknowledges the award of grants for Little Bridge House, Charlton Farm and Little Harbour from the NHS England Children's Hospice grant. The project undertakes to sustain and develop existing high quality hospice care for children and young people receiving palliative care, their siblings and parents. It promotes education and learning needs of all those working in the sector in a responsive and flexible way. The funding and associated expenditure have been treated as movements in restricted funds.

In 2010 the charity succeeded in establishing contractual arrangements with the 6 CCGs whose areas the charity covers. These arrangements were constructed at the behest of government. A price per bed night has been agreed and it has also been agreed the volume of bed nights each CCG will purchase. There are no unfulfilled conditions in respect of these contractual arrangements.

5 Government grants

Included within donations and legacies and other income were government grants recognised in the year ended 31 March 2023

	Total 2023 £	Total 2022 £
Retail, Hospitality and Leisure Grant Fund	-	141,633
NHS England COVID-19 Funding**	15,139	260,025
Total	**15,139**	**401,658**

**The NHS England awarded funding to allow the hospice to make available bed capacity and community support from April 2020 to July 2020 to provide support to people with complex needs in the context of the COVID-19 situation and to provide bed capacity and community support from November 2020 to March 2022 for the same purpose.

6 Total expenditure

	Staff costs £ note 8	Direct costs £	Support costs £ note 7	Total 2023 £	Total 2022 £
Costs of raising funds	3,833,444	3,236,889	-	7,070,333	6,018,934
Care of children, young people and families	7,527,988	1,545,784	680,597	9,754,369	8,863,482
Total	**11,361,432**	**4,782,673**	**680,597**	**16,824,702**	**14,882,416**

Governance costs of £39,747 are included within support costs and comprise the costs of running the charity. This includes insurance £1,860, external audit £17,147, internal audit £3,004, consultancy fees and legal advice for the Trustees £17,591 and all costs of complying with constitutional and statutory requirements such as the costs of Board and Committee meetings £145.

7 Support costs

Support costs reallocated to the expenditure category of care	Total 2023 £	Total 2022 £
Communications and IT	562,963	490,498
Human Resources	383,812	346,165
Governance	39,747	44,936
Finance	421,425	359,931
Head Office Support	425,129	392,029
Retail grant provision	(84,884)	(84,884)
Total support costs	**1,748,192**	**1,548,675**
Less: staff costs	(1,067,595)	(973,927)
Total	**680,597**	**574,748**

8 Employee information

Staff costs	Total 2023 £	Total 2022 £
Salaries and wages	9,635,610	8,428,342
Social security costs	884,048	716,412
Pension costs	841,774	803,515
Total	**11,361,432**	**9,948,269**

Average number of persons employed	FTE* 2023	Total 2023	FTE* 2022	Total 2022
Hospice services	144	178	132	168
Fundraising and publicity	47	54	42	52
Trading	74	113	71	110
Management and Finance	22	27	20	24
Total	**287**	**372**	265	**354**

7 employees earned between £60,000 and £70,000 per annum in the year (2022:5). **2** employees earned between £70,000 and £80,000 per annum in the year (2022:3). **4** employees earned between £80,000 and £90,000 per annum in the year (2022:2). **0** employees earned between £90,000 and £100,000 per annum in the year (2022:1). **0** employees earned between £100,000 and £110,000 per annum in the year (2022:1). **2** employees earned between £110,000 and £120,000 per annum in the year (2022:nil).

Retirement benefits are accruing under a defined benefit scheme for **7** (2022:4) of these higher paid employees. In addition, the charity paid **£55,268** (2022:£54,926) into a defined contribution pension scheme for **8** (2022:8) of these higher paid employees. Salaries and wages include contributions in respect of salary exchange agreements in addition to contractual salary.

Following advice from the Government Actuary's Department as part of the 2016 scheme valuation process, the Department of Health and Social Care (DHSC) confirmed the NHS employer contribution rate will increase to 20.68% with effect from 1 April 2019. The government has committed to cover this cost increase for a certain category of employers, including CHSW, recurring annually until 31 March 2023.

All Trustees and certain senior employees who have authority and responsibility for planning, directing and controlling the activities of the charity are considered to be key management personnel. Total employment costs (including social security and pension contributions) in respect of senior employees is **£626,969** (2022:£591,213). As stated in note 9, there is no cost of employment in respect of the Trustees.

During the year, redundancy and settlement payments were made totalling **£15,216** (2022:£10,278). At 31 March 2023 the payments outstanding were **nil** (2022:£nil).

*Full time equivalent.

9 Trustees remuneration and related party transactions

None of the Directors or Trustees received emoluments or benefits in kind during the year in respect of their duties as a Director or Trustee (2022:nil). During the year 2 Trustees claimed expenses totalling **£195** (2022:nil) for travel and subsistence.

During the year the charity recharged expenses of **£182,687** (2022:£159,523) to C H S W Promotions Limited and remittances were **£172,242** (2022:£151,080). The amount due from C H S W Promotions at the year end was **£38,451** (2022:£28,006) which is included in debtors. Included within this debtor is management recharges of **£180,311** (2022:£158,172).

10 Net income for the year

The net income is stated after charging

	Total 2023 £	Total 2022 £
Depreciation and amortisation of owned tangible and intangible fixed assets	987,233	1,056,422
Loss/(profit) on disposal of fixed assets	5,750	(1,200)
Operating lease rentals	898,235	858,501
Auditor's remuneration - audit fees	17,147	17,219
Auditor's remuneration - other fees	7,007	4,561

11 Tangible fixed assets

	Freehold property and land £	Leasehold property £	Motor vehicles £	Office furniture and equipment £	Fittings and other equipment £	Total £
Cost						
At 1 April 2022	21,697,829	506,152	283,246	1,270,527	3,307,431	**27,065,185**
Additions	226,173	47,132	36,572	159,042	454,976	**923,895**
Disposals	-	(1,334)	(30,000)	(52,741)	(38,951)	**(123,026)**
At 31 March 2023	**21,924,002**	**551,950**	**289,818**	**1,376,828**	**3,723,456**	**27,866,054**
Depreciation						
At 1 April 2022	3,088,355	367,451	264,643	955,970	2,497,472	**7,173,891**
Charged in the year	465,095	64,389	10,820	143,926	285,263	**969,493**
Disposals	-	(1,067)	(30,000)	(51,782)	(30,427)	**(113,276)**
At 31 March 2023	**3,553,450**	**430,773**	**245,463**	**1,048,114**	**2,752,308**	**8,030,108**
Net book value						
At 31 March 2022	18,609,474	138,701	18,603	314,557	809,959	**19,891,294**
At 31 March 2023	**18,370,552**	**121,177**	**44,355**	**328,714**	**971,148**	**19,835,946**

All of the assets above are used on a continuing basis in pursuit of the charity's activities.

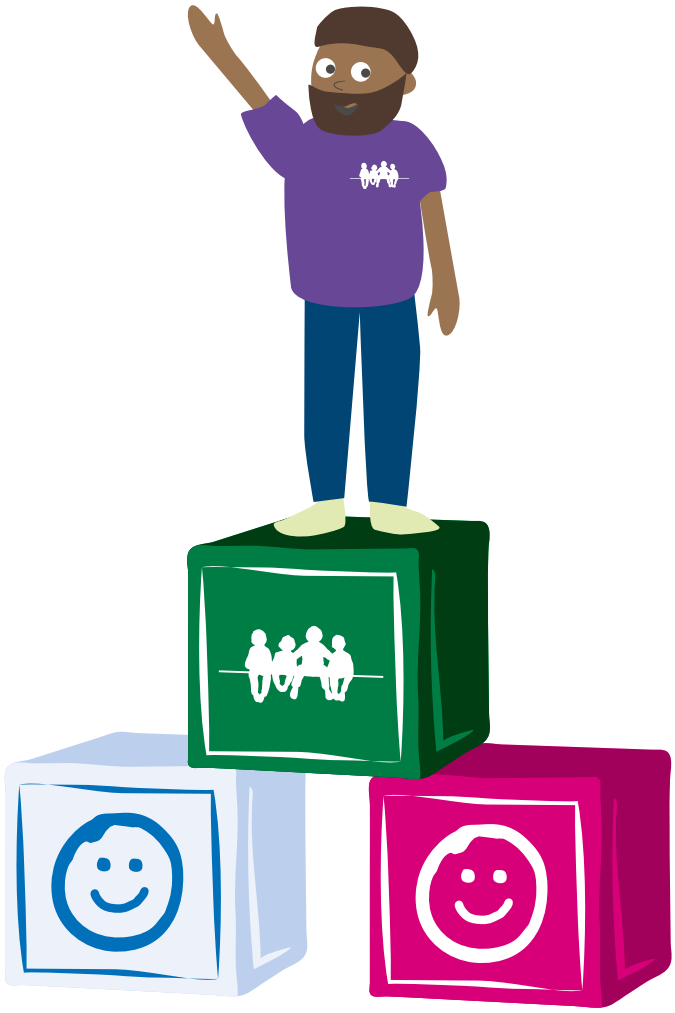
11a Freehold land and properties

	Little Bridge House £	Charlton Farm £	Little Harbour £	Total £
Cost				
At 1 April 2022	3,480,452	12,502,071	5,715,306	**21,697,829**
Additions	-	226,173	-	**226,173**
At 31 March 2023	**3,480,452**	**12,728,244**	**5,715,306**	**21,924,002**
Depreciation				
At 1 April 2022	1,235,402	1,340,695	512,258	**3,088,355**
Charged in the year	101,253	269,482	94,360	**465,095**
At 31 March 2023	**1,336,655**	**1,610,177**	**606,618**	**3,553,450**
Net book value				
At 31 March 2022	2,245,050	11,161,376	5,203,048	**18,609,474**
At 31 March 2023	**2,143,797**	**11,118,067**	**5,108,688**	**18,370,552**

Included in the above is land totalling £2,947,681 which is not depreciated.

12 Intangible fixed assets

	Computer software £
Cost	
At 1 April 2022	**745,278**
Additions	39,333
Disposals	(285,814)
At 31 March 2023	**498,797**
Depreciation	
At 1 April 2022	**718,508**
Charged in the year	17,740
Disposals	(285,814)
At 31 March 2023	**450,434**
Net book value	
At 31 March 2022	**26,770**
At 31 March 2023	**48,363**



13a Investments

	Group 2023 £	Group 2022 £	Charity 2023 £	Charity 2022 £
Listed investments				
UK equities and bonds at cost	4,584,596	3,798,240	4,584,596	3,798,240
Overseas equities and bonds at cost	3,550,248	3,471,399	3,550,248	3,471,399
Multi-fund assets at cost	10,622,949	9,691,774	10,622,949	9,691,774
Other assets at cost	1,738,358	1,665,667	1,738,358	1,665,667
Cumulative net gains on revaluation at period end	356,420	1,472,384	356,420	1,472,384
Market value at period end (note 13b)	20,852,571	20,099,464	20,852,571	20,099,464
Cash held as part of investment portfolios	2,178,976	392,218	2,178,976	392,218
	23,031,547	**20,491,682**	**23,031,547**	**20,491,682**
Other investments				
Donated land held for investment purposes	1,600,000	86,000	1,600,000	86,000
Investment in C H S W Promotions Limited	-	-	-	-
Shares at cost	-	-	100	100
Total	**24,631,547**	**20,577,682**	**24,631,647**	**20,577,782**

The charity's investment portfolio was managed by Aberdeen Standard and Sarasin & Partners. Investments are held in a diverse portfolio of funds, managed by Aberdeen Standard, Sarasin & Partners and other fund managers, and in Government stocks. The only holdings in excess of 5% of total investments were Sarasin Endowments Fund (50%).

The **£1,514,000** increase in the value of donated land held for investment purposes recognises the increase in market value of agricultural land at Yatton following the approval of planning permission on this site.

C H S W Promotions Limited is a wholly owned subsidiary which is registered in England and Wales and whose principal activity is the sale of bought-in goods for the benefit of CHSW. The shares are Ordinary Shares of £1 each and are shown at cost. The company pays its taxable profits to the charity under Gift Aid.

13b Listed investments market value

Listed investments	2023 £	2022 £
Market value at 1 April	20,099,464	14,775,537
Additions at cost	3,718,728	5,929,971
Sales proceeds	(1,523,119)	(1,062,964)
Equalisations	(977)	-
Net (loss)/gains	(1,441,525)	456,920
At 31 March	**20,852,571**	**20,099,464**

13c Current asset investment

	2023 £	2022 £
Investment in Hope Cove	-	454,944

During the year the investment in Hope Cove was sold realising a gain of **£45,900**

14 Stock

	Group 2023 £	Group 2022 £	Charity 2023 £	Charity 2022 £
Stock for resale	**62,502**	**25,592**	**-**	**-**

15 Debtors

	Group 2023 £	Group 2022 £	Charity 2023 £	Charity 2022 £
Amounts owed by group undertakings	-	-	38,451	28,006
Legacies receivable	750,576	3,522,804	750,576	3,522,804
Other debtors including tax recoverable	870,763	479,266	870,763	479,176
Prepayment and accrued interest	595,371	715,511	595,336	715,511
	2,216,710	**4,717,581**	**2,255,126**	**4,745,497**

16a Creditors less than 1 year

	Group 2023 £	Group 2022 £	Charity 2023 £	Charity 2022 £
Trade creditors	351,928	146,710	351,861	146,684
Taxation and social security	219,582	174,979	219,582	174,979
Sundry creditors	207,146	188,552	207,146	188,552
Accruals and deferred income	1,140,674	1,488,397	1,136,013	1,484,958
	1,919,330	**1,998,638**	**1,914,602**	**1,995,173**

Deferred income of **£504,449** arose in the year and £669,719 brought forward from 2022 was released.

Deferred income includes income relating to registrations and sponsorship for upcoming events **£146,492** (2022:£138,813), lottery subscriptions for future draws **£84,835** (2022:£98,154).

16b Creditors more than 1 year

	Group 2023 £	Group 2022 £	Charity 2023 £	Charity 2022 £
Dilapidations provisions	1,581,282	1,252,890	1,581,282	1,252,890
Retail grant provisions	84,884	169,769	84,884	169,769
	1,666,166	**1,422,659**	**1,666,166**	**1,422,659**

17 Endowment funds

	1 April 2022 £	Income £	Expenditure £	Losses £	Transfer between funds £	31 March 2023 £
CCEF	-	-	-	(12,554)	4,000,000	3,987,446
Bayliss Endowment Fund	1,643,228	-	-	(100,230)	4,800	1,547,798
	1,643,228			**(112,784)**	**4,004,800**	**5,535,244**

	1 April 2021 £	Income £	Expenditure £	Gains £	Transfer between funds £	31 March 2022 £
Bayliss Endowment Fund	1,605,712	-	-	37,516	-	1,643,228

During 2007, the charity received an expendable endowment of £1 million, the income from which is restricted. This income funds care staff costs at Charlton Farm and, in particular, the post of Head of Care. Income in 2023 is **£56,167** (2022:£59,098) and is included in restricted funds income on the Statement of Financial Activities. The gain in 2023 is **(£100,230)** (2022:£37,516).

During 2022, the charity established the CHSW Care Endowment Fund (CCEF) to ensure the long-term financial sustainability, stability and resilience of the charity and the long-term continuation of the delivery of care services and to ensure that future care expenditure and investment can be financed even during periods of lower anticipated income. The formation of the CCEF has been established following expert legal advice taken by the CHSW Trustee Board on the form, nature and compliance with regulatory law and guidance of the fund. On 30 March 2023 an initial transfer of £4,000,000 was made to the CCEF.

18 Restricted funds

	1 April 2022 £	Income £	Expenditure £	Gains £	Transfer between funds £	31 March 2023 £
Little Harbour capital	380,000	-	-	-	-	380,000
	380,000	**-**	**-**	**-**	**-**	**380,000**
NHS England grants	-	1,363,188	(1,363,188)	-	-	-
Little Bridge House funds	59,187	395,520	(318,168)	-	(12,656)	123,883
Charlton Farm funds	79,389	818,455	(371,892)	1,514,000	(25,143)	2,014,809
Little Harbour funds	38,449	941,299	(931,915)	-	(18,576)	29,257
CHSW funds	52,501	189,530	(175,644)	-	64,907	131,294
	609,526	**3,707,992**	**(3,160,807)**	**1,514,000**	**8,532**	**2,679,243**

	1 April 2021 £	Income £	Expenditure £	Gains £	Transfer between funds £	31 March 2022 £
Little Harbour capital	380,000	-	-	-	-	380,000
	380,000	**-**	**-**	**-**	**-**	**380,000**
NHS England grants	-	1,499,001	(1,499,001)	-	-	-
Little Bridge House funds	55,002	153,080	(144,415)	-	(4,480)	59,187
Charlton Farm funds	75,509	624,688	(619,124)	-	(1,684)	79,389
Little Harbour funds	47,845	1,719,819	(1,700,339)	-	(28,876)	38,449
CHSW funds	43,194	72,448	(44,586)	-	(18,555)	52,501
	601,550	**4,069,036**	**(4,007,465)**	**-**	**(53,595)**	**609,526**

The NHS England grant is the NHS England 'Children's Hospice grant' which was given to sustain and develop the existing high quality hospice care for children and young people receiving palliative care, their siblings and parents.

During the year, agricultural land being held by the charity was revalued with a gain of **£1,514,000** following the granting of planning permission to build residential homes on it. As the land had originally been donated by a supporter of care at Charlton Farm, the recognition of this valuation has been restricted to this hospice.

The Little Bridge House, Charlton Farm, Little Harbour and CHSW funds include donations towards specific projects at each hospice and across the whole charity, including Music Therapy, equipment, rooms and gardens, parties and presents, play equipment and materials, salary and other revenue costs, and funding of mums and dads groups.

Other legacies and donations are restricted to be spent at a specific hospice. 7 restricted legacies were more than £50,000, of which a total of **£234,366** was donated for Charlton Farm and **£465,122** was donated for Little Harbour.

Transfers between funds represent the amounts spent on capital assets from revenue funds. Only assets with a continuing restriction are maintained as restricted funds.

19 Unrestricted funds

2022 to 2023 group	1 April 2022 £	Income £	Expenditure /Transfer £	Investment losses £	Transfer between funds £	31 March 2023 £
Designated capital funds	19,538,065	-	(987,232)	-	953,479	**19,504,312**
Designated care income fund	7,972,315	-	(4,000,000)	-	2,917,702	**6,890,017**
Total designated funds	**27,510,380**	**-**	**(4,987,232)**	**-**	**3,871,181**	**26,394,329**
Unrestricted general funds	18,116,361	17,794,788	(12,676,663)	(1,282,841)	(3,884,513)	**18,067,132**
Total unrestricted funds	**45,626,741**	**17,794,788**	**(17,663,895)**	**(1,282,841)**	**(13,332)**	**44,461,461**

2022 to 2023 charity	1 April 2022 £	Income £	Expenditure /Transfer £	Investment losses £	Transfer between funds £	31 March 2023 £
Designated capital funds	19,538,065	-	(987,232)	-	953,479	**19,504,312**
Designated care income fund	7,972,315	-	(4,000,000)	-	2,917,702	**6,890,017**
Total designated funds	**27,510,380**	**-**	**(4,987,232)**	**-**	**3,871,181**	**26,394,329**
Unrestricted general funds	18,104,661	17,453,092	(12,345,924)	(1,282,841)	(3,884,513)	**18,044,475**
Total unrestricted funds	**45,615,041**	**17,453,092**	**(17,333,156)**	**(1,282,841)**	**(13,332)**	**44,438,804**

2021 to 2022 group	1 April 2021 £	Income £	Expenditure /Transfer £	Investment gains £	Transfer between funds £	31 March 2022 £
Designated capital funds	20,215,272	-	(1,056,420)	-	379,213	19,538,065
Designated care income fund	6,925,613	-	-	-	1,046,702	7,972,315
Total designated funds	**27,140,885**	**-**	**(1,056,420)**	**-**	**1,425,915**	**27,510,380**
Unrestricted general funds	14,647,748	14,240,060	(9,818,531)	419,404	(1,372,320)	18,116,361
Total unrestricted funds	**41,788,633**	**14,240,060**	**(10,874,951)**	**419,404**	**53,595**	**45,626,741**

2021 to 2022 charity	1 April 2021 £	Income £	Expenditure /Transfer £	Investment gains £	Transfer between funds £	31 March 2022 £
Designated capital funds	20,215,272	-	(1,056,420)	-	379,213	19,538,065
Designated care income fund	6,925,613	-	-	-	1,046,702	7,972,315
Total designated funds	**27,140,885**	**-**	**(1,056,420)**	**-**	**1,425,915**	**27,510,380**
Unrestricted general funds	14,632,023	14,128,897	(9,703,343)	419,404	(1,372,320)	18,104,661
Total unrestricted funds	**41,772,908**	**14,128,897**	**(10,759,763)**	**419,404**	**53,595**	**45,615,041**

The Trustees have established designated capital funds which are equivalent to the net book value of unrestricted tangible and intangible fixed assets used to enable CHSW to carry out its charitable work. Of the net transfers between funds, **£72,419** represent the amounts spent on capital assets from restricted funds where the restrictions on the donations for assets have been fulfilled. In the year **£890,809** was spent on capital from general unrestricted funds and was transferred to designated capital funds.

Unrestricted general funds have the primary aim of reducing the dependency of the charity on any of its income streams as they develop in the future and to specifically fund essential projects to improve the service of the organisation.

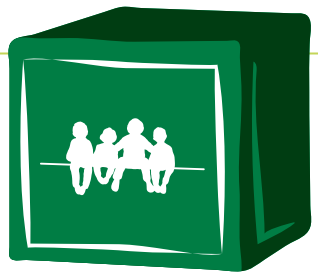
20 Analysis of fund balances between net assets

As at 31 March 2023	Unrestricted funds £	Restricted funds £	Endowment funds £	Total £
Fixed assets	19,504,309	380,000	-	**19,884,309**
Investments	19,096,303	-	5,535,244	**24,631,547**
Net current assets	7,527,015	2,299,243	-	**9,826,258**
Non current liabilities	(1,666,166)	-	-	**(1,666,166)**
	44,461,461	**2,679,243**	**5,535,244**	**52,675,948**
As at 31 March 2022				
Fixed assets	19,538,064	380,000	-	**19,918,064**
Investments	18,934,454	-	1,643,228	**20,577,682**
Net current assets	8,576,882	229,526	-	**8,806,408**
Non current liabilities	(1,422,659)	-	-	**(1,422,659)**
	45,626,741	**609,526**	**1,643,228**	**47,879,495**

Free reserves	Group 2023 £	Group 2022 £	Charity 2023 £	Charity 2022 £
Unrestricted general funds	18,067,132	18,116,361	18,044,475	18,104,661
	18,067,132	**18,116,361**	**18,044,475**	**18,104,661**
Free reserves target (ceiling)	14,878,581	13,411,160	14,878,581	13,411,160
Free reserves target (floor)	12,717,978	11,670,998	12,717,978	11,670,998

21 Status of the charitable company

The charity is a company limited by guarantee, having no share capital.
The liability of each member, in the event of winding-up, is limited to £1.



22 Operating lease commitments

The total commitment under operating leases for premises is as follows

Payments falling due	2023 £	2022 £
Within 1 year	633,401	749,653
Between 2 and 5 years	830,283	1,053,553
In more than 5 years	63,262	80,262

The total commitment under operating leases for other assets is as follows

Payments falling due	2023 £	2022 £
Within 1 year	38,918	27,788
Between 2 and 5 years	82,826	84,913
In more than 5 years	-	1,518

23 Pension commitments

CHSW employees belonged to 2 principal pension schemes during the year. The NHS pension scheme for eligible staff is a defined benefit scheme. Non-eligible members of staff are offered a defined contribution scheme administered by Scottish Widows.

NHS scheme

Only ex-NHS qualified doctors and nurses are eligible to join the NHS scheme. The NHS scheme is a multi-employer defined benefit pension scheme. As the charity is unable to identify its share of the assets and liabilities of the scheme on a consistent and reliable basis, the scheme is treated by the charity as if it were a defined contribution scheme, in accordance with Financial Reporting Standard (FRS 102) applicable in the UK and Republic of Ireland 'Retirement benefits'.

Total pension contributions and liabilities

The total pension costs, excluding salary exchange, charged in the year represent the charity's contributions to all the schemes and amounted to **£841,774** (2022:£803,515). The charity's contributions outstanding at 31 March 2023 were **£128,673** (2022:£113,568). The assets and liabilities of both schemes are held separately from those of the charity, in independently administered pension schemes.

24 Capital commitments

At the balance sheet date the Charity had capital commitments totalling **£nil** (2022:£nil).

25 Indemnities

Legacies

The charity has indemnified the executors of 3 estates in respect of residuary legacies distributed to the charity. The maximum liability under the indemnities at the date the accounts were approved is **£27,437** (2022:£27,437).

Solicitors' unclaimed client funds

Following the passing of relevant legislation, solicitors are now permitted to distribute to charities certain unclaimed client funds, however an indemnity is required from those charities to indefinitely commit to refund any funds that are subsequently claimed. The total of the charity's indemnities is **£104,919** (2022:£104,919).

26 Legacies receivable

As at 31 March 2023, the charity had been notified of a number of residuary legacies, the values of which were uncertain, as the executors were awaiting confirmation of other claims on the estate and may also be in the process of realising assets such as residential property. The estimated total of these legacies could be up to **£2.8 million**.

None of these legacies have been accrued in the financial statements.

27 Post balance sheet event

There have been no post balance sheet events that require reporting.

28a Note to the cash flow statement Reconciliation of net movement in funds to the net cash flow from operating activities

	Total 2023 £	Total 2022 £
Net movement in funds	4,796,452	3,883,600
Add back: depreciation and amortisation charges	987,233	1,056,422
Add back: losses/(gains) on investments	1,441,525	(456,920)
Add back: (gains) on property and land	(1,559,900)	-
Deduct: Investment income and deposit interest	(605,036)	(433,801)
Loss/(profit) on disposal of fixed assets	5,750	(1,200)
Decrease/(increase) in stocks	(36,910)	(3,746)
Decrease/(increase) in debtors	2,451,922	(585,709)
Increase/(decrease) in creditors	(73,850)	874,564
Increase/(decrease) in provisions	243,508	(161,944)
(Increase) in hope cove investment	-	(2,603)
Net cash provided by operating activities	**7,650,694**	**4,168,663**

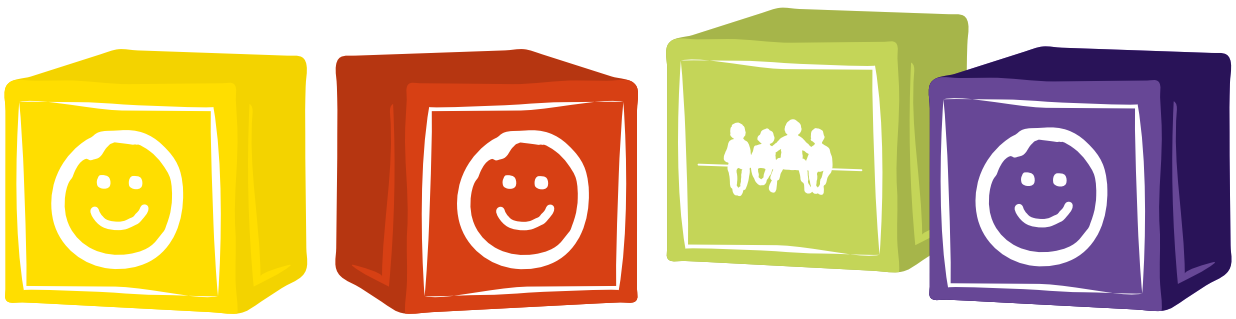
28b Note to the cash flow statement Analysis of changes in net cash resources

	Total 2023 £	Cash flow £	Total 2022 £
Cash at bank and in hand	9,466,376	3,859,447	5,606,929

> "I just wanted to say a big thank you for all the things you did during our stay at Charlton Farm. The love and care we all felt from each and everyone of you was so much appreciated and we will never forget all the lovely little touches that made our stay so special."

29 Prior year statement of financial activities

	Unrestricted funds £	Restricted funds £	Endowment funds £	Total 2022 funds £
Income from				
Donations and legacies	7,511,642	2,770,962	-	**10,282,604**
Charitable activities: Statutory funding	996,013	1,238,976	-	**2,234,989**
Trading activities	5,101,470	-	-	**5,101,470**
Investments	475,078	59,098	-	**534,176**
Other	155,857	-	-	**155,857**
Total income	**14,240,060**	**4,069,036**	**-**	**18,309,096**
Expenditure on				
Trading activities	3,948,812	-	-	**3,948,812**
Total income net of trading expenditure	**10,291,248**	**4,069,036**	**-**	**14,360,284**
Expenditure on				
Raising funds	1,969,748	-	-	**1,969,748**
Investment management fees	100,374	-	-	**100,374**
Net income available for charitable activities	**8,221,126**	**4,069,036**	**-**	**12,290,162**
Charitable activities				
Care of children, young people and families	4,856,017	4,007,465	-	8,863,482
Total expenditure	**10,874,951**	**4,007,465**	**-**	**14,882,416**
Net income before gains on investments	**3,365,109**	**61,571**	**-**	**3,426,680**
Net gains on investments	419,404	-	37,516	456,920
Net income	**3,784,513**	**61,571**	**37,516**	**3,883,600**
Transfer between funds	**53,595**	**(53,595)**	**-**	**-**
Net movement in funds	**3,838,108**	**7,976**	**37,516**	**3,883,600**
Reconciliation of funds				
Total funds brought forward	**41,788,633**	**601,550**	**1,605,712**	**43,995,895**
Total funds carried forward	**45,626,741**	**609,526**	**1,643,228**	**47,879,495**



Accounting policies

Basis of preparation and accounting policies

CHSW is a registered charity with the Charity Commission England and Wales (charity number 1003314) and was incorporated as a private company limited by guarantee (company number 02620879). Its registered office is Little Bridge House, Redlands Road, Fremington, Barnstaple, Devon EX31 2PZ. This is also the registered address of the subsidiary.

The following accounting policies have been applied consistently in dealing with items that are considered material in relation to the financial statements:

(a) Basis of preparation of accounts

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard (FRS 102) applicable in the UK and Republic of Ireland (effective 1 January 2015) (Charities SORP (FRS 102)), the Companies Act 2006 and Charities Act 2011.

CHSW meets the definition of a public benefit entity under FRS 102.

These financial statements consolidate the results of the charity and its wholly owned subsidiary, C H S W Promotions Limited, on a line by line basis. All intergroup transactions are eliminated on consolidation.

A separate statement of financial activities and income and expenditure account for the charity has not been presented because the charity has taken advantage of the exemption afforded by section 408 of the Companies Act 2006. The charity has taken advantage of the exemptions in FRS 102 from the requirements to present a charity only cash flow statement and certain disclosures about the charity's financial instruments.

(b) Going concern

The group has cash resources and no requirement for external funding to fund normal operating activities. The Trustees believe that there are no material uncertainties about the group's ability to continue in operating existence for the foreseeable future, having reviewed our financial position, reserves levels and future plans. In forming these conclusions, the Trustees have considered the ongoing financial impact of COVID-19. They continue to believe the going concern basis of accounting appropriate in preparing the annual financial statements.

(c) Fund accounting

Restricted funds are those to be used in accordance with specific instructions imposed by donors or which have been raised by the charity for specific purposes. The aim and use of each restricted fund are set out in the notes to the accounts where material.

The Baylis Endowment Fund is to be retained for the benefit of the charity as a capital fund. The income generated from the capital is restricted due to the wishes of the donor. The Bayliss Endowment Fund included in these accounts is an expendable endowment.

The CHSW Care Endowment Fund (CCEF) exists to support the management of excess unrestricted reserve holdings which usually arrive in the form of unexpected and unpredictable windfalls from legacies. The fund is available to be spent (expendable endowment) to support the long-term sustainability of the charity and to ensure that care services are, as far as possible, always maintained.

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity.

The Trustees have designated certain unrestricted funds as capital funds, representing the net book value of the unrestricted fixed assets used to enable CHSW to carry out its charitable work.

(d) Income

Income is recognised when the charity 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 the amount can be measured reliably.

Income from voluntary sources is received by way of donations and gifts and is included in full in the Statement of Financial Activities when receivable.

Income from Gift Aid tax reclaims is recognised for all donations made prior to the year end, where valid

Gift Aid declarations are held and allocated to the same fund as the underlying donation.

Donated services and facilities

Properties, investments, and other fixed assets donated to the charity are included as income and recognised as assets at market value at the time that the charity takes control of the item. Donated services and facilities are included as income, if material, at their estimated value to the charity when received, and under the appropriate expenditure heading depending on the nature of service provided, at the same value and time. Although it is of significant value to the charity, time donated by the charity's many volunteers and Friends Group members is not recognised in the accounts as it cannot be reliably valued and is specifically exempted by the SORP. Details of the role played by volunteers and the nature of their contribution can be found in the Trustees' Report.

Stocks of donated goods for resale cannot be measured reliably in a cost-effective manner, due to the high volume of low value items received. Therefore donated goods for resale are not recognised on receipt, but their value is recognised as income when sold.

Legacy income

Legacies are recognised when the charity is entitled to the funds (when there is a valid will and they are notified of the benefactor's death) when receipt is probable (indicated by the grant of probate) and the charity can reliably estimate the legacy income receivable.

Recognition is therefore dependent upon the type of legacy:

- Pecuniary legacies are recognised when notification is received and probate has been granted
- Residuary legacies are recognised when notification is received, probate has been granted and a reliable estimate of the fair value can be made (the executors have compiled draft accounts)
- Discretionary/conditional legacies are not recognised until a distribution has been made or all conditions have been satisfied.

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 (note 26).

Income received in advance

Income received in advance of an event or provision of another specific service, is deferred until the criteria for income recognition are met.

Interest received

Interest on funds held on deposit is included when receivable.

Investment income

Investment income is credited to income on an accrual basis.

Grants (including Government grants)

Grants received for specific purposes are accounted for as restricted funds. Grants that provide core funding or are of a general nature provided by charitable foundations are recorded as donations. The grants detailed in note 4 have been included as income from charitable activities as they relate to the provision of care. Grants are recognised in full when entitlement is established.

(e) Expenditure

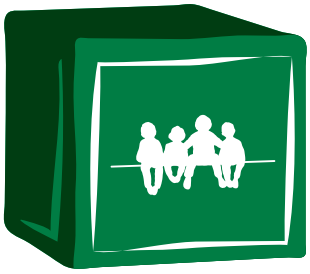
Expenditure is accounted for on an accrual basis and is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure has been classified under the following activity headings:

- The costs of raising funds are those incurred in encouraging individuals and organisations to make voluntary contributions and donations to the charity. This includes the costs of the charity's fundraising offices and supporter groups, the cost of trading and investment management fees
- Charitable expenditure comprises direct expenditure including direct staff costs attributable to its care activities and support costs.

The treatment of Value Added Tax (VAT) is detailed in (h) on page 43.

Support costs include central functions and are allocated to activity costs categorised on a basis consistent with the use of resources. This allocation is carried out on a substantive activity basis and does not take account of incidental use.

Governance costs are included within support costs and comprise the costs of running the charity. This includes external audit, any legal advice for the Trustees and all costs of complying with constitutional and statutory requirements such as the costs of Board and Committee meetings.



(f) Operating leases

Rentals applicable to operating leases, where substantially all the risks and rewards of ownership remain with the lessor, are charged in the statement of financial activities during the life of the lease on a straight line basis. They include retail shops, vehicles and photocopiers.

(g) Pension costs

The charity contributed to 1 defined benefit scheme in the year but also operates a defined contribution pension scheme. Pension costs charged to the statement of financial activities represent the contributions payable by the charity in respect of the accounting period. Both schemes are accounted for as defined contribution schemes. Note 23 provides a detailed explanation.

(h) Taxation

The charity is exempt from Corporation Tax on its charitable activities.

The charity is registered for VAT. Irrecoverable VAT is allocated to the areas in which it is incurred.

(i) Tangible and intangible fixed assets

Tangible and intangible fixed assets are depreciated and amortised in equal annual instalments, using the straight-line basis, during their estimated useful lives, as follows:

Little Bridge House, Charlton Farm and Little Harbour	50 years
Other freehold buildings	5 to 50 years
Leasehold property	Life of lease
Medical equipment	5 to 10 years
Furniture and equipment; fixtures and fittings	4 to 20 years
Garden, play and external equipment	5 to 10 years
Soft furnishings	4 to 5 years
Computer equipment and software	3 to 5 years
Motor vehicles	4 years

No depreciation is provided on freehold land.

The cost of minor additions, defined as those costing less than £500 each, are expensed in the year in which they are incurred.

(j) Fixed asset investments

Assets held with the intention of retaining them long-term for the continuing benefit of the charity through income and capital appreciation are classified as fixed asset investments. These may include investments listed on a recognised stock exchange (or ones valued by reference to such investments, such as common investment funds, open ended investment companies, and unit trusts), investment land or properties, investments in subsidiary undertakings, and cash held for investment purposes.

Fixed asset investments, other than cash deposits, are stated at market valuation and any gains or losses are dealt with in the statement of financial activities.

Following the granting of planning permission in 2022 for land owned by the charity at Yatton, North Somerset, fixed asset investments include a revaluation of the land recognising its potential development opportunity. The land was valued by an independent agent on 31 March 2023.

Investment in the subsidiary is stated at cost.

Current asset investment

During the year the property which was included in current asset investments in 2022 was sold realising a gain of £45,900.

(k) Stock

Stock consists of purchased goods for resale. Purchased goods for resale are valued at the lower of cost and net realisable value, after allowing for obsolete and slow moving stock.

(l) Debtors

Other debtors, legacies receivable and accrued income are recognised at the settlement amount due after any trade discounts. Prepayments are valued at the amount prepaid net of any trade discount.

(m) Cash at the bank and in hand

Cash at the bank and in hand includes cash in hand and cash held by financial institutions.

(n) Creditors

Creditors are recognised when the charity 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.

(o) Financial instruments

The charity only has basic financial instruments that result in the recognition of financial assets and financial liabilities. Financial instruments include cash at the bank, trade debtors, legacies receivable, accrued income from financial instruments (comprising dividends and interest due from investments), trade and sundry creditors and accrued expenditure. Financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

(p) 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 are especially significant:

Useful economic lives of tangible and intangible assets

The annual depreciation and amortisation charges for the tangible and intangible assets are sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are amended when necessary to reflect current estimates and the physical condition of the assets. See notes 11 and 12 for the carrying amount of the tangible and intangible assets and policy (i) for the useful lives for each class of asset.

Impairment of debtors

The group makes an estimate of the recovery of trade debtors and other debtors. When assessing the impairment of trade debtors and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience.

Provisions

The group has estimated the anticipated costs of dilapidations across its retail operations based on the age of the lease and the fit out costs.

The group has estimated the potential maximum claw-back on its retail grant income based on legal advice received and detailed calculations.

Audit report

Independent auditor's report to the members of CHSW

Opinion

We have audited the financial statements of Children's Hospice South West ('the charitable company') and its subsidiary ('the group') for the year ended 31 March 2023 which comprise the Consolidated Statement of Financial Activities, Consolidated and Charity Balance Sheet, Consolidated Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- Give a true and fair view of the state of the group's and the charitable company's affairs as at 31 March 2023 and of the group's income and expenditure, for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- 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 UK, 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 trustee's 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 charitable company's or the group'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 contained within the annual report. 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.

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 this gives rise to a material misstatement in the financial statements themselves. 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.

> "Thank you for providing a safe space for me to talk about my brother. It has been so valuable to have people in my life who have met and known him so well, which always made sharing my thoughts and feelings that bit easier."

Opinions on other matters prescribed by the Companies Act 2006

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

- The information given in the Trustees' report, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements
- The strategic report and the directors' report included within the Trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the group and charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the Trustees' report.

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

- Adequate and proper accounting records have not been kept
- The financial statements are not in agreement with the accounting records and returns
- Certain disclosures of Trustees' remuneration specified by law are not made
- 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 set out on page 21, 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 charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

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 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 were Care Quality Commission (CQC) 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 within the timing of recognition of income and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management and the Investment and Finance 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.

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 the charitable company's members as a body for our audit work, for this report, or for the opinions we have formed.

Guy Biggin
Senior Statutory Auditor

For and on behalf of Crowe UK LLP Statutory Auditor
4th Floor, St James House,
St James Square,
Cheltenham GL50 3PR

Date: 8 December 2023

Structure, governance and management

CHSW is a registered charity with the Charity Commission in England and Wales (charity number 1003314) and was incorporated as a private company limited by guarantee (company number 02620879), on 17 June 1991. Legal and company information is set out on page 52 and lists the Directors and Trustees, the SMT and the principal advisors and forms part of this report.

The principal object of the charity

The charity was established 'to promote the relief of illness and suffering in such ways as the Association shall from time to time think fit, and particularly in the South West counties of England and adjacent areas and in particular:

- By establishing, maintaining and conducting residential nursing homes for the reception and care of young persons who are suffering from any chronic or terminal illness or any other physical or mental infirmity, disability or disease and for the reception and care of the members of the family of such persons whether adult or otherwise, and so that any such home may be restricted to patients (and the families of patients) of under a certain age limit or to patients suffering from any particular types of illness, disability, disease or infirmity, and by providing medical or other treatment or attention for any such persons and their families as aforesaid in their own homes
- By conducting, promoting or encouraging research into the care and treatment of persons suffering from any such illness, disability, disease or infirmity as aforesaid and particularly into the care and treatment of persons suffering from terminal illness and the care of the families of such persons and by providing for the dissemination of the results of such research
- By promoting or encouraging or assisting in the teaching or training of Doctors, Nurses, Physiotherapists, Administrators, Social Workers, and other persons engaged in any branch of medicine, surgery, nursing or allied services, and in the teaching or training of students in any branch of medicine, surgery, nursing or allied services
- By providing or assisting or encouraging the provision of spiritual help and guidance for any persons resident (either as patients or as families) or associated in any way with any such home or homes as aforesaid.

In pursuing the principal objectives of the charity, activities that CHSW provides to the families in the South West are detailed on page 8 to 13.

Organisational structure

The charity is constituted as a company limited by guarantee, and, therefore, is governed by a Memorandum and Articles of Association and has no share capital.

The charity has a wholly owned subsidiary, C H S W Promotions Limited. The principal activity of the subsidiary is the sale of promotional and bought in goods in support of CHSW.

The Directors of this subsidiary throughout the year, unless otherwise stated, are as follows:

- Nicola Mason, CHSW Trustee
- Jessica Patel, CHSW Director of Marketing and Communications
- David Turner, CHSW Trustee
- Jonathan Webber, CHSW Director of Finance and Retail.

All Directors of CHSW, (excluding the SMT), are also Trustees of the charity and there are no other Trustees. All but 2 of the Trustees named on page 52 served throughout the year and until the date this report has been signed, unless otherwise stated.

The charity is organised so that the Trustees meet collectively 4 times a year to direct the management of its affairs. Strategy days are also held periodically. The members (the members of the charity include all Trustees and 3 other individuals) of the charity may, by ordinary resolution, appoint persons who are willing to act to be Trustees.

> "I write this letter to express my sincere thanks and gratitude for the fantastic care and support my family have received throughout the short life of our dear Grandson."

Assurance Committees

In addition to regular Board meetings, with the attendance of all Trustees and the SMT, delegated authority has been given to Assurance Committees to assist the Board in several functional and risk areas of the charity. These Assurance Committees are attended by Trustees with relevant skills and experience, meet at least 3 times per year and report directly to the Board. They currently include:

- Care Assurance Committee
- Income Generation and Marketing Assurance Committee
- Investment and Finance Assurance Committee
- Governance Assurance Committee (incorporating risk and remuneration).

Appointment of Trustees

The Board of Trustees is responsible for confirming the appointment of a new Trustee following a clear recruitment and selection policy and procedure. The term of office is 3 years after which period a Trustee must seek re-appointment by the Board if he or she wishes to continue as a Trustee. There is currently a 3 term maximum on the number of terms of office a Trustee can serve.

CHSW will ensure it maintains and enhances its own accountability and wider public confidence in its work by:

- Engaging effectively with the community it serves
- Responding equitably to the needs of its users
- Endeavouring to ensure a mix of Trustees that reflects the mix of CHSW beneficiaries and its local communities.

New Trustees are offered a programme of induction which includes reading a certain amount of literature, meeting with some of those who lead the charity, and gaining some first-hand experience of situations in which we work. The programme of induction contains the following elements:

- A document pack including:
  - Charity structure chart
  - Governing documents and governance policies
  - Strategic plan
  - Latest annual report
  - Latest management accounts
  - Risk register
  - Annual meeting schedule
- Meeting key personnel including the chair of Trustees and individual members of the SMT
- Taking a tour of one of our hospices and meeting with the Head of Care
- Attending a welcome day with other new staff
- Spending time on a shift, working with the Care Team, pending restrictions
- Attending other key events, fundraising events and a Friends Group conference.

Management

The day-to-day operation of the charity is carried out by SMT, listed on page 52, who have delegated responsibility and are employees of the charity.

Care throughout the charity is provided under the direction of the Director of Care, Allison Ryder. The Fundraising Team work under the direction of the Director of Fundraising, Paul Courtney. The Director of Marketing and Communications, Jessica Patel, oversees marketing and communication issues together with IT services. The finance function is overseen by the Director of Finance and Retail, Jonathan Webber. Jonathan is also Company Secretary and is responsible for retail trading operations.

The Director of HR, Daphne Sands, is also responsible for facilities management and health and safety.

The above members of SMT report to the Chief Executive, Eddie Farwell, who oversees all operational and strategic matters.

SMT remuneration, including that of the Chief Executive, is reviewed annually by the Governance Assurance Committee. Senior management remuneration is established and reviewed periodically based on the Hay Group methodology in respect to job evaluation and also having due regard to CHSW's duty to ensure best value and after taking advice on pay levels, market conditions and other relevant factors.

Other than allowable business expenses, CHSW makes no payments in addition to the basic salary to the Chief Executive and SMT for undertaking their core role. Any authorised additional hours will be subject to the conditions in line with all staff.

Employees

CHSW is committed to the principle of equal opportunities in employment and recognises its obligations under the Equality Act 2010. CHSW declares its opposition to any form of less favourable treatment, whether through direct or indirect, associated or perceived discrimination accorded to CHSW staff, or job applicants, on the grounds of their race, nationality or ethnic origin, disability, sex, age, sexual orientation and gender reassignment, marital and civil partnership status, pregnancy and maternity, religion or belief, (otherwise known as 'protected characteristics' as defined by the Equality Act 2010), including Human Rights.

CHSW is committed to creating a positive culture of respect for all CHSW staff and promoting positive practices and valuing the diversity of all individuals and communities.

CHSW embraces and recognises the importance of diversity, that different people bring different perspectives, ideas, knowledge and culture, and that this difference brings great strength as well as contributes to employee wellbeing and engagement.

Our aim is to create a culture that respects and values each person's differences, promotes dignity, equality, diversity and inclusivity, and that encourages individuals to develop and maximise their true potential.

We expect commitment and involvement from all CHSW staff, partners and providers of goods and services in working towards the achievement of our aim. Continued close attention is paid to the health and safety of employees while at work and all employees are provided with appropriate training in compliance with our CHSW Health and Safety Policy.

Employee views are sought through several forums including 121s, team meetings, steering groups, staff survey and the Staff Council. CHSW's strong 'Speaking Up' culture is also supported by a team of Freedom to Speak Up Champions from across the charity which includes a Trustee. There were no concerns raised via the Whistleblowing Policy this year. Information concerning the charity and its activities and performance are shared with employees through several mediums including Internal Communications via email, the Staff Intranet, and Site Meetings. These forms of communication are constantly evolving and the use of video conferencing over Zoom and Teams has become embedded into our new ways of working.

Engaging with our stakeholders

The CHSW Trustees set out to define discrete stakeholder groups and recognise that in many cases they have complementary interests and shared priorities. Stakeholders identified include children and young people living with life-limiting conditions, their families, donors, staff, volunteers, ICBs, local communities, contractors, suppliers, and our Patron.

The Trustees have in place a strategy for regular and effective communication with these stakeholders about the charity's purposes, values, work and achievements. Examples of this include marketing strategies and a family engagement programme.

The Trustees communicate how the charity is governed, who they are, and decisions being made through the CHSW website and the Trustee Annual Report. The Trustees ensure that stakeholders have an opportunity to hold the board to account through agreed processes and routes such as Friend's Group Conferences, Volunteer Appreciations days, Parent Forums, Parent Feedback Questionnaires, Staff Council and regular Staff Surveys.

The Trustees make sure there is suitable consultation with stakeholders about significant changes to the charity's services or policies.

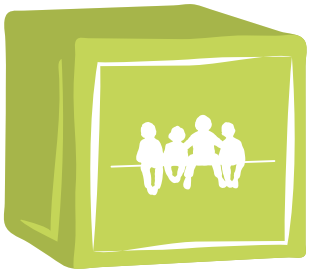
Memberships

To assist in its decision making and to ensure current and best practice is always followed, the charity is an active participant in the membership of several 'not for profit' organisations. These include the following:

- Hospice UK
- Together for Short Lives
- Fundraising Regulator
- Charity Retail Association
- Hospice Lottery Association
- Gambling Commission
- The Lotteries Council.

Related parties

CHSW has a trading subsidiary C H S W Promotions Limited which is responsible for the sale of all new goods, including Christmas cards. The relationship between the 2 organisations is set out in a memorandum of understanding.



Charity governance code

CHSW is a not-for-profit organisation which aims to follow charity sector best practices. The Charity Governance Code for larger charities was adopted into our new Governance Framework, which was completed in March 2021. The code sets out the principles and recommended practice for good governance and is a tool for continuous improvement towards the highest standards.

Our governance and risk frameworks were reviewed and updated last year. Our focus for this year will include Trustee recruitment and continuing with our stakeholder's voice reviews to support the strategic development of our care.

Energy and carbon reporting

In November 2019, CHSW engaged an independent firm of consultants to demonstrate compliance under the Energy Savings and Opportunities Scheme (ESOS). This piece of work involved assessing the charity's current energy usage including business, transport, and process, and suggesting energy-efficient opportunities. This requires compliance every 4 years and is due again in 2023.

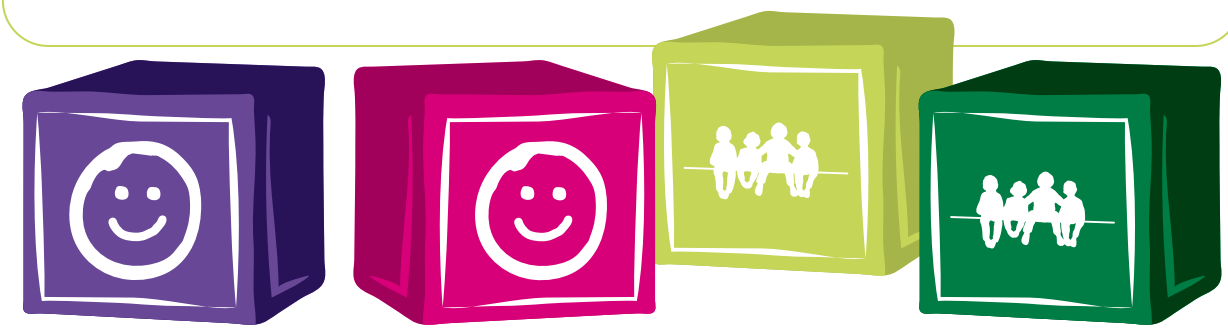
In the year ended 31 March 2023, the charity's annual energy usage as 1,526,541 kWh (2022: 1,436,224 kWh) which equates to 341,654 CO2e (2022: 406,552 CO2e). When assessed against the charity's charitable spend of £9,754,369 this gives an intensity ratio of 1 CO2e: £29 charitable spend.

CHSW completed its first Annual Green Agenda Report for 2022 to 2023. The achievements and actions taken against our stated ambitions include:

- The scoping and ordering of our first electric vehicle charging points at Charlton Farm
- Review of the salary sacrifice scheme for electric vehicles
- All new job descriptions now include a commitment to environmental impact awareness
- The continuation of our LED lighting programme
- The continuation of our digitalisation programme and ways of working to reduce printing and travel
- ESOS inspection and report for 2023 is booked in.

Reference and administration

Company number	02620879
Charity number	1003314
Trustees	Stephen Hindley CBE, DL David Turner Karen Rogers Nicola Mason Patricia Morris Alan Broughton Roger Knight (Treasurer) Elizabeth Childs Kate Martin Stewart Davidson (appointed 26 January 2023) Andrew Gould (appointed 26 January 2023)
Secretary	Jonathan Webber
Registered office	Little Bridge House, Redlands Road, Fremington, Barnstaple, Devon EX31 2PZ
Senior Management Team (SMT)	Chief Executive (CEO): Eddie Farwell MBE, Hon LLD Director of Care: Allison Ryder Director of Finance and Retail: Jonathan Webber Director of HR: Daphne Sands Director of Fundraising: Paul Courtney Director of Marketing and Communications: Jessica Patel
Advisors	Principal Bankers: Barclays Bank Plc 3rd Floor, 3 Bedford Street, Exeter EX1 1LX Principal Solicitors: Burges Salmon LLP 1 Glass Wharf, Bristol BS2 0ZX Investment Managers: Aberdeen Standard Capital Limited 1 George Street, Edinburgh EH2 2LL Investment Managers: Sarasin & Partners LLP Juxon House, 100 St Paul's Churchyard, London EC4M 8BU Independent Auditor: Crowe UK LLP Statutory Auditor 4th Floor, St James House, St James Square, Cheltenham GL50 3PR



Fundraising standards

Valuing our supporters and upholding high standards

Children's Hospice South West is committed to ensuring that all of the wonderful and varied methods of fundraising are always safe, respectful, transparent and accountable. As such, we are fully registered with the Fundraising Regulator which enables people to give with confidence. We also ensure that all regulatory updates and developments are acted upon and shared with all Fundraising Teams and Volunteers, with a commitment to a consistent training and monitoring programme. This includes annual training on the Code of Fundraising Practise. In addition to regulatory compliance, we also actively encourage and provide opportunities for our Fundraising Team to attend local, regional and national conferences and training that keeps them up to date with sector trends, developments and innovations in fundraising.

The high standards of fundraising that we expect of our teams also extend to those acting on behalf of CHSW. Volunteers receive extensive training to ensure they are up to date with the standards set out in the Code and any agencies or commercial participators to whom we entrust the CHSW brand must demonstrate their commitment to and active compliance with the Code both before work commences and during ongoing work.

In the year to March 2023, CHSW was supported by 2 external agencies to increase the membership of our Raise a smile Lottery, Engage & Connect and The Fundraising Partnership. Both agencies carried out door-to-door and venue-based fundraising. All Canvassers employed by both agencies receive rigorous training, which is monitored and consolidated by annual training delivered by CHSW's Director of Fundraising. Regular reviews of agency activity, quality assurance calls and questionnaires and a spot-check mystery shopping framework all help to ensure that CHSW's highest standards are reflected by those employed by these Professional Fundraising Organisations.

During the year, there were several Customer Relationship Management (CRM) agreements with companies partnering with us to raise funds. These agreements were reviewed regularly to ensure companies carrying the CHSW logo acted in line with the standards expected at all times and represented no reputational risks. No agreements are entered into without due diligence and adherence to CHSW's Ethical Fundraising and Donation Acceptance Policy.

While we are committed to these very high standards, there are times when we do receive complaints and people feel the need to raise a concern about our fundraising. This year we have updated our recording of complaints and concerns to more accurately record the issues raised, as follows:

Department	Complaint	Concern raised
Fundraising	1	3
Marketing	4	0
Lottery	5	1
Database Administration	0	2

All complaints and concerns were reviewed and resolved in line with CHSW's Complaints Policies and no further escalation or involvement of external regulators was required.

Everyone at CHSW is committed to behaviour and communications that ensure no potential or existing supporter ever feels under any undue pressure to support our work.

Registered with FUNDRAISING REGULATOR

GAMBLING COMMISSION

THE LOTTERIES COUNCIL

children's hospice
SOUTH WEST

www.chsw.org.uk
enquiries@chsw.org.uk

Little Bridge House
Redlands Road, Fremington, Barnstaple, Devon EX31 2PZ
01271 325 270

Charlton Farm
Charlton Drive, Wraxall, North Somerset BS48 1PE
01275 866 600

Little Harbour
Porthpean Road, Porthpean, St Austell, Cornwall PL26 6AZ
01726 871 800

Please note that no part of this report may be reproduced without the prior consent of Children's Hospice South West.

CHILDREN'S HOSPICE SOUTH WEST

England & Wales - Charity number 1003314

Accounts

children's hospice SOUTH WEST

Annual Report and Financial Statements

For the year ended
31 March 2022

Making the most of short and precious lives across the South West
www.chsw.org.uk
Registered Charity No. 1003314 Company No. 02620879 (England and Wales)

Another year like no other, that is how the 2021 to 2022 financial year can be described and coronavirus (COVID-19) is again all pervasive throughout our Annual Report and Financial Statements

Our Strategic Plan for the period 2020 to 2024 set out ambitions which would lead to substantial growth in income and thus, enable the expansion of our care services. Year 1 of COVID-19 in 2020 to 2021 produced a seismic shock to these ambitions and retrenchment became imperative. Accordingly, a COVID-19 Response Plan was agreed in which we confirmed that our overarching objectives remained relevant, but that it would take 2 years to return to levels of income and services.

We anticipated that in 2021 to 2022 the country would begin to emerge from COVID-19, but that there would still be operational disruption.

In financial terms, the year produced some unexpectedly positive results. While income from voluntary fundraising remained challenging, we saw retail profitability recover to pre-COVID-19 levels and in particular, the charity experienced an unexpectedly large rise in legacy donations. The latter was a major contributory factor to a year-end surplus. This surprising result enabled us to plan for substantial investment in our care services in 2022 to 2023.

Supported by our prioritisation tool the Hospice, Home and Virtual Care Model was further developed. This assisted with making sure our resources were better targeted, ensuring that we were able to support families when they needed us most. This approach was invaluable in 2021 to 2022, because, surprisingly, our care services experienced a greater level of disruption and consequent reduction in service capacity due to the high transmission of the Omicron variant of COVID-19.

Notwithstanding operational difficulties; our excellent staff have continued to provide a safe and high-quality service which has supported so many of our families.

In 2021, the charity celebrated its 30th Anniversary since its foundation. We are especially proud of the service we have been able to provide, and incredibly proud of the thousands of supporters who have been inspired to help the cause. COVID-19 rules prevented us from being able to hold a large celebratory event, but we were thrilled that our Royal Patron HRH The Duchess of Cornwall was able to join a modest celebration at our first hospice, Little Bridge House. This proved to be an especially poignant and moving event.

While in general the outcome for the coming period remains uncertain, we are delighted to report that Children’s Hospice South West will enter the next year being able to make a substantial investment in expanding our care services; all of which have been made possible by the incredible support that we receive from all parts of the community.

We commend this, our Annual Report and Financial Statements to you.

Tricia Morris
Chair of Trustees

Eddie Farwell MBE
Co-Founder and
Chief Executive

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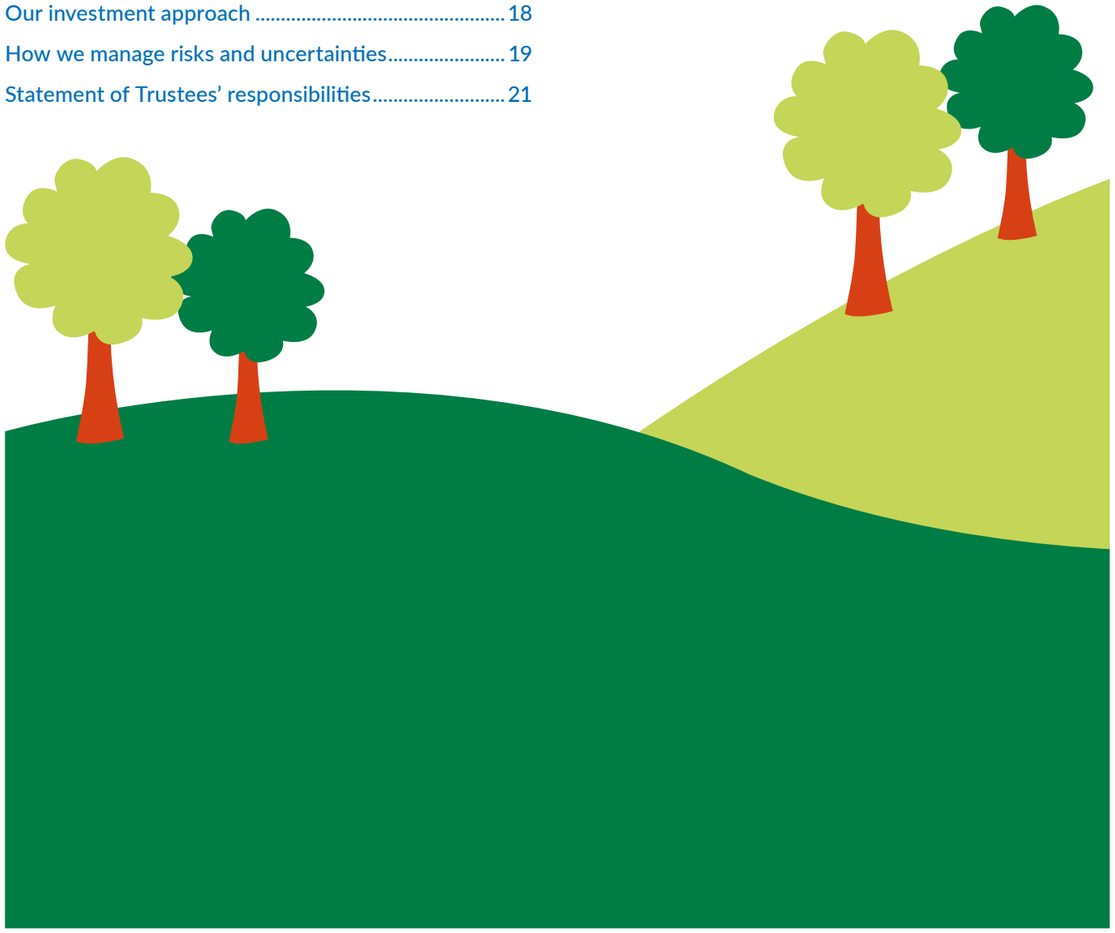


Trustees' report (including the strategic report) for the year ended 31 March 2022

Our objectives and activities

Our purpose, vision and ethos

Our purpose is to make the most of short and precious lives and to put children, young people and their families at the centre of all we do.

Our vision is to provide high quality care services to every child and young person in the South West who may not live to their 18th birthday.

Our ethos is to ensure that everyone (Trustees, staff and volunteers) places children, young people and their families at the centre of the organisation.

In order to achieve this, everyone will be expected to promote a strong, caring, community environment, characterised by a culture of sensitivity, trust, consideration and respect for others.

Organisational principles

Our ethos gives rise to a set of principles which determine how Children's Hospice South West (CHSW) as an organisation operates on a day to day basis. We will:

- Be an organisation which places children, young people and their families at the heart of all that we do
- Continually engage with and listen to our children, young people and families, employees, volunteers and supporters
- Ensure that diversity, integrity, quality and respect are an integral part of all that we do
- Ensure that all staff, volunteers and supporters are valued and appreciated
- Ensure that everyone has the tools to do their job and are provided with appropriate opportunities to develop and gain new skills
- Be ethical, open, honest and compliant in all that we do
- Be one organisation with common goals while tailoring services to individual families, and according to individual need
- Work collaboratively with our colleagues and external partners
- Spend the money we raise wisely with our focus being on the care we provide
- Be safe, efficient and environmentally aware.

Our core values and behaviours

Everyone working for, or on behalf of CHSW will act to or with:

Care and respect for each other:

- Recognising and accepting our responsibility for safeguarding children and adults, protecting them from harm
- Acting fairly and with consideration, treating others as we would wish to be treated ourselves
- Finding out what other colleagues do, encouraging them and recognising the value that each brings to the organisation
- Embracing and recognising the importance of difference and diversity.

Honesty, openness and accountability:

- Behaving with openness, integrity and honesty
- Communicating swiftly and openly and listening to the views of others respectfully
- Taking responsibility for your own actions and being accountable for them
- Sorting out mistakes and concerns swiftly and without fuss.

Strive for excellence:

- Seeking to continuously develop and improve for your own benefit and for the charity
- Always protecting the reputation of the charity
- Celebrating success.

Work together:

- Ensuring dynamic and harmonious team working in order to achieve success
- Working with and involving our families, supporters and volunteers, understanding who they are and what their needs might be
- Making the best use of organisational resources; having regard to sustainability, efficiency and respect for the environment.

Our strategy

Following a review in November 2021, our strategic aims extending to 2024 were reviewed and agreed as follows:

Care

We remain committed to providing high quality, safe services to children and young people who may not live to their 18th birthday. This includes respite care for the whole family and being responsive when families need us most, including at the end of life and support during bereavement. Our focus is to develop our care services sustainably, ensuring we utilise our 3 hospice bases and be there when families need us most.

Strategic priorities to deliver this aim by 2024:

- To have a Care Model that ensures we have capacity to offer respite care to children, young people and families
- To develop and grow our clinical expertise and resilience to respond when families need us most
- To offer families choices with flexibility on how they access our services and where they wish to be at the end of life
- To build on the support services on offer including psychological support and sibling services.

Funding

To afford our care objectives by delivering a step change in income generation to deliver additional annual income in excess of £2 million (minimum) by 2024.

Strategic priorities to deliver this aim by 2024:

- Diversifying and developing voluntary income streams
- Growing and strengthening retail (including Gift Aid)
- Growing net income from CHSW Lottery
- Securing long term legacy pipelines
- Securing continuing statutory funding (and increasing where possible).

Marketing

To re-energise our brand awareness and re-establish our positioning, ensuring we remain a leading brand name in the South West and the charity of choice for charitable giving.

Strategic priorities to deliver this aim by 2024:

- Research and benchmark brand/hospice awareness, including review of logo recognition and evolution of brand identity
- Introduction of a campaign approach to drive brand awareness and donor acquisition
- Defining and segmenting target audiences with clear messaging to ensure donor retention and donation growth.

Progress against our strategic aims will be monitored, reviewed, and evaluated by the Senior Management Team (SMT) on a regular basis and by the Assurance Committees through Key Performance Indicators (KPIs) and Board reports at each meeting (currently 4 times per year).

These strategic objectives are due to be reviewed in November 2022 and will be considered in-line with any ongoing challenges of COVID-19.

Public benefit

The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives. The benefits are clearly set out in the achievement section on page 6 to 13. The Trustees review the activities of the charity against its aims and objectives on an ongoing basis and are satisfied that all activities continue to be related to its purpose. The beneficiaries are children and young people living with life-limited and life-threatening conditions and their families. A referral process is in place, with clear guidance on criteria, to ensure that those who meet the criteria are offered support by the charity.

Our achievements in 2021 to 2022

2021 to 2022 objectives	What we achieved
1 To ensure that the positive achievements during COVID-19 are retained (new ways of working) and our services are resumed as soon as this can be supported safely following Government guidelines. Offering a responsive model that offers families choice.	We have embedded the Care Model of hospice, home and virtual and this responsive model has enabled us to support children, young people and families when they need it most. However, COVID-19 has continued to be impactful with regulatory safety standards and staff sickness levels impacting on capacity, while demand remains high. This year has seen us be our most resourceful and flexible to continue to give a priority service, but we recognise many families would have benefited from additional support had this been possible. It is a key achievement that all end of life or emergency care has been supported and safe staffing has been maintained.
2 To continue to develop and implement our Workplace Health, Safety and Wellbeing Strategy in response to ongoing COVID-19 challenges with forward vision to adapt to the changing workplace environment.	Our wellbeing focus for 2022 was to keep staff feeling supported, motivated and engaged through a further period of change in our working, economic and social environments. Initiatives included setting up a Hybrid Working Framework for office-based staff; introducing a Newsletter with a monthly wellbeing theme and a Wellbeing Day was awarded to all staff. We have continued to promote the services of our Employee Assistance Programme and have maintained our management attention on pastoral care. Our bi-annual Staff Survey had a wellbeing and COVID-19 focus. 89% of participating staff agreed they had access to appropriate emotional and mental health support at work.
3 To conclude the response phase of our COVID-19 Fundraising Strategy while investing and resourcing a more structured approach to Individual Giving for the future, contributing to our over-arching objective to deliver an additional £2 million income per year by 2024.	We have been so grateful for the commitment and generosity of our supporters throughout the last year. We have been delighted to see a recovery in some areas of our fundraising most impacted by COVID-19 restrictions; most notably events and community fundraising.
4 To identify new commercial opportunities with our trading activities during the recovery period of COVID-19. Look to restore shop turnover and new sign-ups for the Raise a smile Lottery.	Following the reopening of our shops in April 2021, our shop income and profitability has been very strong and has exceeded that seen prior to the onset of COVID-19. During the year, we relocated the Barnstaple and Wellington shops to more commercially viable and fit for purpose locations. During the year, our Lottery Canvassing Teams have been very active and have increased Raise a smile Lottery memberships by over 2,200 participants.
5 To continue to develop new marketing strategies to increase donor acquisition and retention, reach new audiences and stand out in a new and potentially crowded marketplace.	2021 saw the launch of our Brand Awareness campaign, 'For all the times that matter,' targeting a new demographic of supporters. A short film featuring families who are supported through our 3 hospices was shown on live and on-demand TV as well as YouTube and social media. The film focused on highlighting the support that CHSW offers families 'For all the times that matter.'
6 To embed the Digital Transformation Strategy into the organisation and drive CHSW towards adopting a digital first culture.	A new Digital Transformation Steering Group has been developed and continues to work on plans and initiatives to embed a digital first culture into the organisation. The steering group ensures a joined up and collaborative approach to the investment and development of new digital technologies across all directorates at CHSW.

Our key objectives for 2022 to 2023

1 To develop the service offer of care to families, while supporting COVID-19 recovery with a focus on increasing capacity and reach of care services to children, young people and families. This requires recruitment, supporting the education and development of our staff and collaboration with other providers

2 To continue to develop and embed our Workplace Health, Safety and Wellbeing Strategy in response to the changing external environment with particular focus on emotional and financial wellbeing

3 Action our capital budget to support our business infrastructure and development

4 With a new Fundraising Strategy in place, we will return income to pre-COVID-19 levels through community fundraising and corporate partnerships in 2022 to 2023. We also hope to learn about how events return and play a role in bringing people together to raise funds for our vital work. Our increased resource for Individual Giving will help deliver a rejuvenated strategy to maximise opportunities

5 To continue to look for more fit for purpose shop sites and undertake a refurbishment programme of our existing shops. In addition to invest more in the existing shop resource model (to provide resilience) and invest in the shop IT support

6 To continue to develop fresh marketing strategies to increase donor acquisition and retention, and reach new audiences, with a focus on planning, brand engagement, content development, analysis, and evaluation.

How we have supported our beneficiaries

Care activity; who we supporting

What type of activity have we seen?

5,545 total bed nights in 2021/2022. This is an increase of 1,282 more bed nights than the previous year.

2,844 family member night stays in the hospices in 2021/2022, an increase of 1,470 from the previous year*.

1,703 children or young people bed nights in 2021/2022, an increase of 611 from the previous year*.

926 day visits in 2021/2022, a decrease of 767 from the previous year.

72 Starborn** nights in 2021/2022, a decrease of 32 from the previous year*.

1,963 parent or carer nights stayed in 2021/2022, an increase of 1,057 from the previous year*.

881 sibling night stays in 2021/2022, an increase of 413 nights from 2020/2021*.

308 hospice resilience bed nights in 2021/2022, an increase of 101 from the previous year*.

1,395 emergency*** bed nights in 2021/2022, an increase of 510 from the previous year*.

*In addition to this our Care and Medical Teams provide support and advice to other professionals caring for end of life children and young people who are not at the hospice.
**'Starborn' is the name given to the cold room in CHSW hospices that the children or young people stay in after death.
*** Some resilience nights were recorded as emergency nights due to the short notice period and been captured as emergency resilience.

How we have supported and cared for our children, young people and families during coronavirus (COVID-19)

It was vital that the hospices remained open 24 hours a day, 7 days a week, for:

- Children and young people at the end of their life
- Children and young people requiring symptom management
- Children and young people requiring step down care from acute services in hospital so that they did not need to stay in hospital any longer than necessary
- Children and young people who would have ordinarily needed a hospital stay
- Children and young people requiring a place of safety who were at risk in other environments.

We have seen an increase in the complexity of care needs for some of the children and young people; with more requiring admissions or support at home for symptom management. We have also sadly seen an increase in the number of neonates being transferred from hospital to our services for end of life care within the first few hours or days of life. The Care Teams have cared for more children and young people at the end of life over this past year, both in the hospices and for the first time, in the child's own home, working alongside other healthcare professionals and partner providers.

Furthermore, the hospices have provided resilience stays for children, young people, and families. Support has been provided in varied ways, including day visits to the hospice for outpatient treatments such as administration of intravenous medications (to prevent a visit to hospital), a symptom management assessment; or simply to have fun in the hydrotherapy pool or to enjoy the garden facilities and be spoilt with afternoon tea and a well-earned rest.

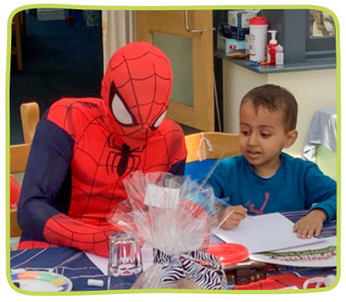
CHSW staff also have provided care and support in the family home; this was not a service we provided pre-COVID-19. This 'at home' care includes full care shifts, end of life care, symptom control, resilience visits, sibling visits, bereavement visits and covering a care package when other care providers are unable to.

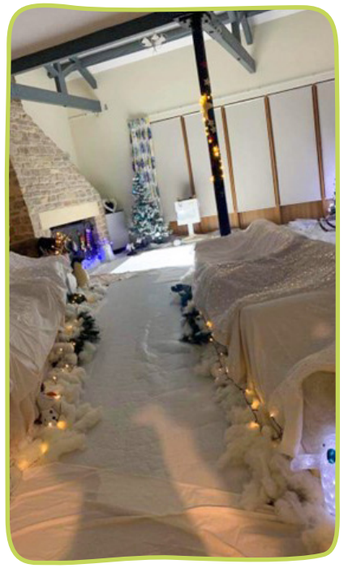
CHSW Care, Sibling and Music Therapy Teams have maintained regular virtual contact with children, young people and families and provided a range of services and support.

Staff have also visited children and young people when they have been in hospital for a period of time, either just to be a friendly and familiar face, or to allow the parents a few hours off from sitting at the bedside. On a few occasions, there has been the opportunity to share knowledge and experience with the Hospital Team specifically about the child or young person they were caring for.

Making memories

An important part of caring for the child, young person and whole family is helping them to make memories and we continued to do this at all our hospices throughout this last year. One of the hospices arranged a Spiderman visit for a child at the end of life; another was turned into Lapland. Both were experiences the whole family could enjoy and make precious memories from. Another family had the opportunity to be together as a family, including siblings and grandparents, after the baby died at only a few days old.



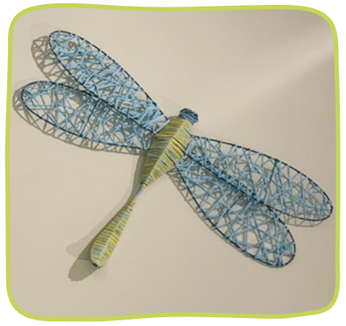


We helped make a real difference through bereavement support

Bereavement support continues to be an intrinsic part of the holistic care provided within CHSW and has previously been highlighted in the support provided by the Care Team, including the Sibling Teams and the Music Therapists. All 3 hospices have supported bereaved families; Little Bridge House invited families to spend Christmas at the hospice and Little Harbour started a new group for bereaved dads and carers called 'Dads in the Loop.' This coastal path walking group proved more accessible for dads than a traditional support group. Charlton Farm recognised that there were a group of recently bereaved parents whose children became ill with COVID-19 and subsequently died. The team set up a virtual group for these parents to meet each other as they have faced different challenges due to isolation from family and friends during COVID-19.

> "I do enjoy listening to other people's experiences, realising I am not alone and being able to talk in a safe place. I guess it has been a comfort thing too."

We continued to provide Remembering events over the year at each of the hospices albeit virtually. These events provided the opportunity for families to gather for candle lighting events, to listen and talk and to be supportive of one another.



Meeting the needs of the siblings

We have continued to be responsive in meeting the needs of siblings, including those who are bereaved, in a variety of imaginative, innovative, and fun ways. Virtual support sessions for individuals and groups have been provided across all 3 hospices over Zoom. In addition to virtual sessions, we have provided ongoing support during hospice day visits, garden visits, community visits and doorstep visits. Easter provided an opportunity for family Easter egg hunts around the gardens and the delivery of activity packs. We have been available and responsive to the needs of siblings when their families have been in the hospice for end of life care and through to providing ongoing bereavement support. We have responded to some of the COVID-19 related challenges for children and young people by delivering more focussed sessions; Charlton Farm responded to concerns regarding returning to school and how to manage during the school holidays. We have also made sure that there continued to be fun activities provided not only for the siblings but also for the whole family. In addition to quizzes, bingo sessions over Zoom have continued to be extremely popular in each of the hospices.

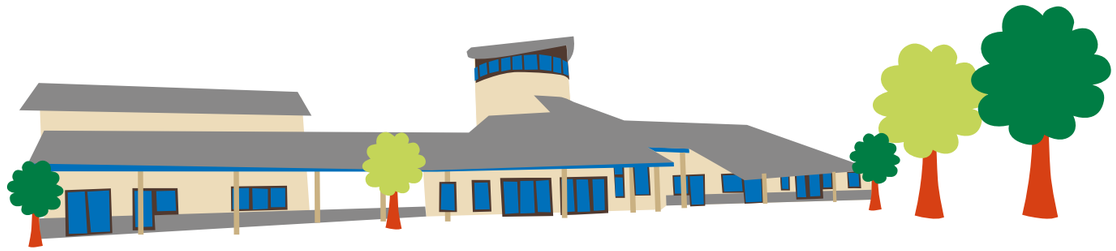
> "We have been particularly isolated over COVID-19, so all the interactions have been a godsend."

> "My children LOVE the online sib's bingo."

Staying safe during coronavirus (COVID-19): Infection, Prevention and Control (IPC)

The safety of CHSW staff, children, young people and families has been paramount throughout COVID-19 and our new ways of working. We have followed Public Health England (PHE) IPC guidance throughout and ensured our policies and practices were compliant with national guidance and legislation.

We have reviewed and adapted our practice to balance the risk posed by COVID-19, the restrictions placed upon us by national legislation, with keeping the hospices open and with as much capacity as possible, to care for as many children and young people as possible. At CHSW we have always cared for the whole family, not just the referred child or young person and we wanted to be able to continue with that model. To achieve this, we continued to divide the hospices into zones and segregated the different families, if more than 1 family was in the hospice. This was a significant departure from the pre-COVID-19 feel of the hospice where families chatting, forming friendships and support for each other was an important part of their stay. Once we were able to test the children, young people and families to confirm COVID-19 status (pre-stay and during the stay), we removed the zones, unless the child, young person or family was COVID-19 positive; they were unable or unwilling to test; or they expressed a preference to remain zoned. This has enabled a more 'normal' feel to the hospices with children, young people and families being able to mix and enjoy more of the facilities on offer. As IPC restrictions ease, we are looking forward to the hospices being a more sociable space again.



Hear how families have been supported this year

Zian died, just 5 days old at Little Harbour

Dad, Nelu describes the care they received.

"We know Zian came into our life with a reason, to change our way of seeing life. We don't believe in coincidences, and we don't believe it was random. We believe he came at the perfect time, and he changed our lives in a good way.

We found out about Zian's condition during the pregnancy. We were scared when we first found out as we didn't know anything about it, to be honest we didn't know that such a syndrome even existed and we were very afraid of the unknown.

As time went on during the pregnancy, we got more and more nervous about how we would manage to spend quality time with Zian and at the same time comfort him.

We were referred to Little Harbour by the Outreach Sister. We didn't know this place existed and we didn't know how to react. After she explained to us what the hospice was and how it could help, we decided to visit 3 weeks before his due date. We were so impressed by the place, all the staff came to say hi during our visit, they were all so friendly. I kept wondering how it was possible to see such lovely people all in one place, it felt as though it was all too good to be true.

After we left on that day, we were silent, we realised what an effect Little Harbour had had on us. We didn't know if we would return but, in our hearts, we had peace.

When Zian was born, tests confirmed the diagnosis of Patau Syndrome. This affects every single cell of the body and unfortunately, his heart was severely affected.

We knew we wanted to value every single second of Zian's life, we decided Little Harbour was where we wanted to be.

"I can't explain in words how happy I am because we came here. We had the most beautiful 5 days in our life."

Firstly, we were together, the whole family and we could create lovely memories together, this is the most precious gift we received from God.

Secondly, we met the most beautiful people here. They made us feel safe, comfortable and loved. We couldn't believe how blessed we were.

There are not enough words to describe the staff at Little Harbour, they are true superheroes.

We had the chance for Zian to be baptised at Little Harbour and we were allowed to have our Priest visit at any time. We prayed together, we laughed, we sang and when it became too emotional we cried.

My mother (Zian's grandmother) was able to stay with us too, she doesn't speak English but she didn't need to, because the lovely staff are mind readers.

We were amazed to see the staff took care of us at Zian's funeral. We came back to visit a few months later and we were reminded of that same feeling we had when we first visited, this place is a piece of heaven."

Gracie and her family have been visiting at Little Bridge House for several years

Like many teenage girls, Gracie, age 16, loves animals and spending time with her friends. But she has also had to overcome huge challenges.

When she was 4 years old, Gracie was diagnosed with Ataxia Telangiectasia, a rare inherited progressive disorder that affects the nervous and immune system. There is no cure, and although she has lost much of her mobility over the years, her parents say their little girl hasn't lost her fun-loving spirit.

"Gracie is a very funny, loving, happy girl. When we started coming to Little Bridge House, she used to run up and down the corridors with her walker, now she's got no walking ability or much of an immune system.

We give her prophylactic antibiotics 3 days a week and an infusion of haemoglobin every fortnight to help her regenerate antibodies.

It's been very difficult during the COVID-19 as the whole family has had to lockdown to protect Gracie. We have to be very cautious about things like coughs and colds as they can cause her to have a chest infection."

The family look forward to time at Little Bridge House, where they can take a break from routine and spend time together.

"It is a home-from-home for us, a family orientated place full of happiness and joy."

Tayen has been visiting Charlton Farm since 2016

Tayen's condition is incurable and causes tumours to grow on nerves anywhere in her body. She has complex epilepsy, hydrocephalus and is fully blind.

Tayen is fiercely independent and thrives on the ability to explore her environment freely without restrictions. Knowing Tayen, as the Care Team do, the restrictions brought on by COVID-19, such as zoning at the hospice, would have been too difficult for her and would have caused her a lot of distress.

The decision was made to offer the family support through day visits and activities the whole family could enjoy, reinforcing the positive relationships between siblings and parents rather than being the constant care givers.

The team helped Tayen and her family enjoy activities together and make some great memories:

- Woodland walk jumping in puddles!
- Visit to a hotel swimming pool for the whole family that the hotel kindly provided while it was closed during COVID-19
- Easter egg hunt in the family's garden.

Income generation

A year of celebrations

With the ongoing challenges of COVID-19 our long anticipated celebrations to mark 30 years of CHSW naturally adapted; of course, what didn't change at all was the generosity of our incredible supporters and fundraisers across the South West.

We were delighted to have the chance to celebrate with people across the peninsula at 30th Anniversary Gala Dinners, enjoy time with friends during the Great Big South West Cream Tea gatherings and see the return of fundraising activities as varying COVID-19 restrictions allowed.

We want to record our grateful thanks to everyone who supported CHSW during the last year in so many different ways. Together we are continuing to make the most of short and precious lives.

Despite the unpredictability of 2021 and 2022, we were delighted to see people doing all they could to support children, young people and families.

Take a look at some of the highlights of our fundraising activities from the year:

Over **£4.3m** raised from your donations and purchases as our CHSW charity shop doors were happily flung wide open once more across the South West.

£1.1m this year from individual giving as people continued to generously support our work.

£462k raised during the return of in-person events, while continuing to take part in virtual events too! This included the welcome return of Ride for Precious Lives with 100 cyclists raising an incredible £240k.

We launched a brand awareness campaign For all the times that matter which was shown on live and on-demand TV as well as YouTube and social media.

Supporters and fundraisers continued to Be Incredible across social media, with more Facebook fundraising events and birthday fundraisers than ever before.

Over **15,000** players this year in our Raise a smile Lottery who have contributed £772k to CHSW income.

£5.6m received from supporters who chose to remember CHSW with a gift in their will.

£30k raised in our 30th year from the launch of our CHSW 30th Anniversary Business Club and all 100 places were filled.

£844k received from charitable trusts and foundations.

Our awesome volunteers

What a joy it has been to see so many of our volunteers coming back to be part of the action in 2021. Whether it was staging fundraising in a Friends Group, tending to the gardens at our hospices or making sure our shops were open and full of things to buy, it's been so great to see them all.

Our financial performance

The consolidated financial statement comprises the result of the charity together with those of C H S W Promotions Limited, a wholly owned subsidiary, which donates it profits to the charity. The consolidated statement of financial activities is set out on page 22.

Donations and legacies amounted to **£10,282,604** (2021:£12,810,769), income raised from charitable activities (statutory income sources) amounted to **£2,234,989** (2021:£2,216,854), trading activities (including retail and Raise a smile Lottery) generated income of **£5,101,470** (2021:£1,867,939), investment income was **£534,176** (2021:£360,013) and other income **£155,857** (2021: £1,530,359 including £1 million Coronavirus Job Retention Scheme income).

Total income for the year was **£18,309,096** (2021:£18,785,933).

Total expenditure for the year amounted to **£14,882,416** (2021:£15,610,688). This resulted in an operational surplus of **£3,426,680** (2021:£3,175,245). Net gains on investments were **£456,920** (2021:gains £1,644,615) and therefore net income for the year was **£3,883,600** (2021:£4,819,860).

Consolidated in the above figures C H S W Promotions limited, a trading subsidiary, has a turnover which amounted to **£284,861** (2021:£94,203) and a profit after taxation of **£11,497** (2021:£15,525). The company will donate this amount to the charity.

During 2021 to 2022 the financial impact of COVID-19 continued for the charity and while our community, corporate and event donation income encouragingly increased on 2020 to 2021 levels, they remained significantly lower than the levels seen prior to COVID-19 This was an understandable consequence of the 'social contact' nature of these voluntary donation income streams as restrictions were still very prevalent in 2021 to 2022. As we move into the 2022 to 2023 financial year, with the easing of restrictions, we are pleased to see that these income streams appear to be returning to pre-COVID-19 levels and are very thankful to our all supporters for this bounce back.

During the year, we were very grateful to receive a continued exceptionally high level of legacy donations. Legacy receipts are always a significant part of CHSW's annual income but, by their very nature, can be difficult to predict and their level can vary significantly, both up and down, from 1 year to the next. Our legacy income in 2021 to 2022 amounted to **£5,570,894** which although being £1 million lower than 2020 to 2021, was significantly higher than we anticipated. We are very encouraged by the continued growth seen from our legacy incomes which will help to support the long-term investment in our care development.

In mid April 2021, we were pleased to reopen our 38 shop. All shops have traded very strongly from this point benefiting from significant local community support together with the ever-increasing public interest in making sustainable purchases. Total shop income (including related Gift Aid receipts) achieved their highest levels ever at nearly **£4.4 million** as compared to £1.1 million in 2020 to 2021.

Despite being significantly reduced from 2020 to 2021 levels, during the year the charity made use of the Government support for charities and businesses impacted by COVID-19 in relation to the Retail Start-up grants **£141,633**, the dedicated grant support for UK Hospices **£260,025** and the supply of free Personal Protective Equipment (PPE) (£238,481). In total, during 2021 to 2022, the charity was very grateful to receive over **£0.4 million** (2021: £3.7 million) of support from central Government to deal with the impact of COVID-19.

It should be noted that the increase in income and net income (after expenditure) reported in 2021 to 2022 has been largely driven by the unprecedented level of legacy receipts, trust and grant income, and the strong performance of our retail shops.

We recognise the positive level of net income that has been generated during the year and are very grateful to all our supporters and donors who have helped us achieve this. We are very mindful that the financial challenges of COVID-19 and the cost-of-living crisis are set to continue into 2022 to 2023 and beyond and that Government support to deal with the COVID-19 crisis has now stopped. It is therefore the intention for the net income surplus generated in 2021 to 2022 to be used to further support the charity during the ongoing economic challenges and to ensure the continuance of its care delivery into the future.

Where we received our income

Legacies
£5.6 million - 31%

Trading - lottery and shops
£5.1 million - 28%

Voluntary fundraising
£3.6 million - 19%

Statutory income
£2.2 million - 12%

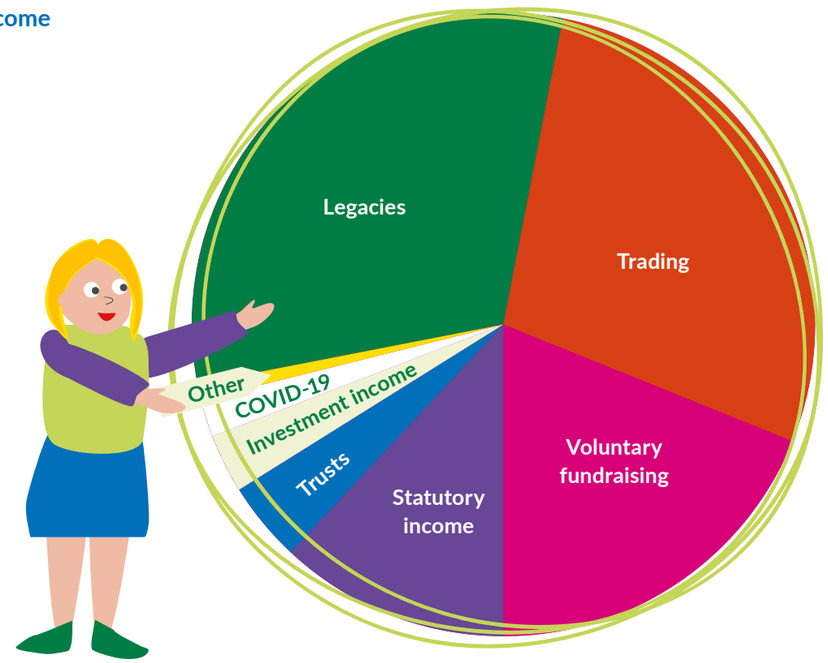
Trusts
£0.8 million - 4%

Investment income
£0.5 million - 3%

COVID-19 funding
£0.4 million - 2%

Other
£0.1 million - 1%

Total - £18.3 million



Where we spent our income

Trading activities
£3.9 million - 26%

Charlton Farm
£3.5 million - 23%

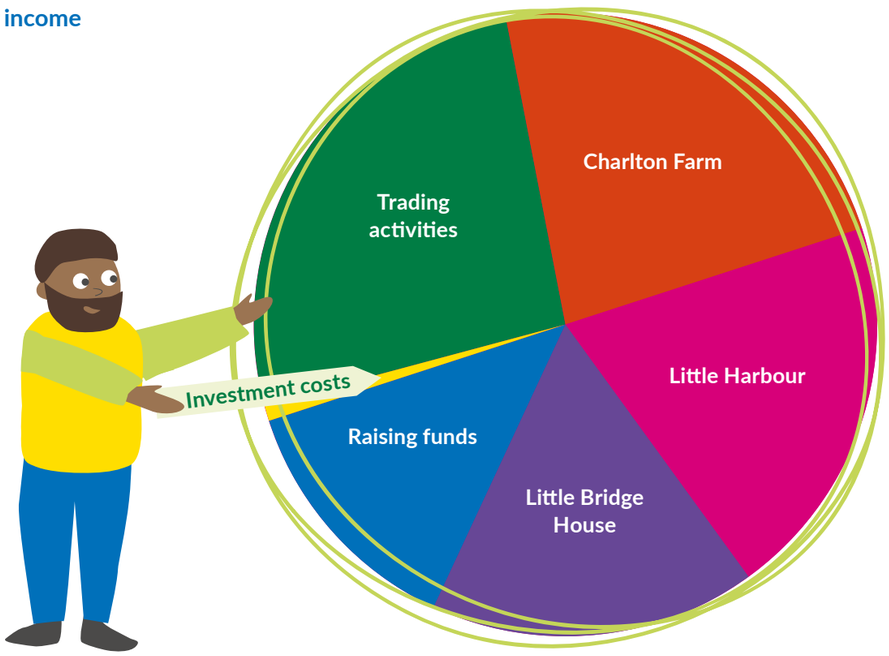
Little Harbour
£2.9 million - 20%

Little Bridge House
£2.5 million - 17%

Raising funds
£2 million - 13%

Investment costs
£0.1 million - 1%

Total - £14.9 million



Our financial reserves

We recognise our commitment and moral obligation to the children, young people and families who currently use our services, will extend many years into the future. It is imperative, therefore, for us to maintain unrestricted general reserves at a level that will ensure the continuity of the unique service provided by the charity, while recognising that the charity is facing a period of significant economic uncertainty.

In establishing the CHSW reserves policy, we have taken guidance from the Charity Commission's guidance CC19, by using an integrated approach for an organisation with complex activities and structures. This involves projecting cash flows over the next 3 years and identifying key risks associated in this period, with both income and expenditure, while also considering already committed expenditure. From this work, looking forward, it has been determined that CHSW should maintain a target range of unrestricted general reserves of between **£12,717,978** (representing 8.8 months of 2022 to 2023 budgeted expenditure) and **£14,878,581** (representing 10.3 months of 2022 to 2023 budgeted expenditure).

The charities unrestricted general funds (free reserves) were at a level of **£18,116,360** (note 19) as of 31 March 2022 (£14,647,748 as of 31 March 2021). We note that the groups unrestricted general funds are above their upper target range of reserves by **£3,237,779** (excluding designated funds). It is our intention that, in the short to medium term, the charity utilise these surplus funds to help deal with the continuing impact on the charity of COVID-19, the possibility and disruption from further outbreaks, and the worsening economic outlook with the current cost of living crisis and the very likely possibility of a recession in the near future. The surplus will be used to further invest in maintaining and developing a skilled, resilient and responsive hospice service.

Designated funds are **£27,510,380** (2021: £27,140,885) and represent the net book value of the unrestricted tangible and intangible fixed assets of the group in addition to **£7,972,315** designated for the creation of an expendable CHSW Care Endowment Fund (CCEF).

On the 14 July 2022, the CCEF was formally and legally set up to provide an additional income stream from long-term investments to support future care services and developments and reduce future dependence on fundraising and trading activity. The need for this fund has been highlighted during the COVID-19 crisis where voluntary and trading incomes have been found to be vulnerable. The CCEF is expendable and will also be used to finance care, operational and developmental opportunities in the future if unrestricted general reserves fall below their required lower target level.

Our investment approach

The charity's investment policy requires CHSW to invest funds in such a manner that the risk profile reflects planned expenditure and future plans.

In 2019, we secured the services of an external independent investment advisor to undertake an investment risk profile review and to provide an ongoing expert assessment on the performance of our appointed investment managers. At the beginning of the 2020 to 2021 financial year, as part of good governance, a formal retendering process in relation to investment management services was undertaken, which included a review of investment performance and charges. As a result of this work, Aberdeen Standard Capital Limited and Sarasins & Partners LLP were appointed as CHSW investment managers going forward. As part of this restructuring of investment managers, CHSW investments were rebalanced and divided into a lower and higher equity exposure fund allocation. The minimum performance requirements of these invested funds have been set as Consumer Price Index (CPI) +3% for the lower equity exposed fund and CPI +4% for the higher equity exposed fund. As of the end of the 2021 to 2022 financial period, and since inception of the investment funds, these performance objectives were met.

How we manage risks and uncertainties

CHSW has a clear Risk Management Framework in place, overseen by the Trustee Governance Assurance Committee as delegated by the Board of Trustees. We undertake a continual assessment of the principal risks facing the charity and are satisfied that adequate preventative and mitigating measures are in place to reduce the risks to an acceptable level. All risks identified are recorded on the CHSW Risk Register and scored based on impact and likelihood in line with the Charity Commission's guidance CC26, based on the scores, the risks are prioritised using a Red, Amber, Green rating.

The CHSW agreed process for reviewing risk, is as follows:

- SMT will meet weekly to monitor and review current risks; and share, record and escalate any new or emerging risks as appropriate
- SMT will meet as the Risk Management Committee every quarter where the risk register is reviewed and updated. Identified risks may be added to the register at any time
- Each item on the risk register is owned and overseen by the relevant Assurance Committee as a standing item at each of their meetings (currently 3 times per year)
- The Governance Assurance Committee will take assurance from the Chairs of each Committee that their relevant risks have been reviewed and mitigated to satisfactory levels
- Where assurance cannot be given, further review/oversight or Internal Audit may be recommended or pursued
- The Governance Assurance Committee will report to the Board annually.

Current red risks

Recruitment: Inability to recruit and retain children's nurses; as reflected in the national picture, exacerbated by COVID-19, this remains an ongoing and challenging red risk for CHSW. Salary and benefits benchmarking against the NHS are carried out on an annual basis to ensure we are competitive. New and different ways of working in 2020 to 2021 continued into 2021 to 2022. The new Care Model has created development opportunities and new career pathways to explore, supporting and encouraging the recruitment and retention of staff through a very difficult period.

COVID-19: The risk to operations remained our key red risk throughout 2021 to 2022 with elements of risk impacting on every aspect of the organisation. Board meetings continued virtually, falling back into a more usual pattern as the impact of COVID-19 became more understood, with only the Investment and Finance Assurance Committee continuing to meet on a monthly basis. An Omicron Emergency Response Plan was implemented in January 2022 with the emergence of the new variant. In the last quarter of the year, the impact of the new variant has been significant in terms of short notice staff absence due to COVID-19 or related reasons which has put a serious strain on our service delivery, particularly in both care and retail. We have remained responsive, flexible and safe during this testing period.

Safeguarding issues arising: Safeguarding is a top priority at CHSW with stringent policies, procedures and mandatory training in place for all staff. We continue to be vigilant and diligent; audit our policies and practices carefully; and embed our values and behaviours to reflect our ethos and duty of care.

Failure of cyber security: Reflecting the global rise in criminal activity around data security together with the increased risk presented by the Ukraine/Russia crisis. In 2021 to 2022 CHSW carried out the annual full cyber security audit (by an external provider). CHSW are implementing the recommendations of the audit. CHSW have installed firewalls at each hospice in line with our new Jisc internet connections. We successfully met the standards of the NHS Data Security Toolkit in 2021. Our IT partners (Commercial IT) continue to monitor and update our systems. CHSW IT regularly send simulated phishing emails and training packages to ensure staff remain vigilant and educated on the risks. Annual Data Security Awareness training is mandatory for all office based and care staff.

Included on page 48 are the charities structure, governance and management, reference and administrative detail and fundraising disclosures which also form part of this report.

Statement of Trustees' responsibilities

The Trustees (who are also Directors of CHSW for the purposes of company law) are responsible for preparing the Trustees' Annual Report (including the Strategic Report) and the financial statements, in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable 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 Statement of Recommended Practice (SORP)
- Make judgements and estimates that are reasonable and prudent
- State whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions, 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 and the provisions of the charity's constitution. They are also responsible for safeguarding the assets of the charity and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to Auditors

Insofar as each of the Trustees of the charity at the date of approval of this report is aware, there is no relevant audit information (information needed by the charity's auditor in connection with preparing the audit report) of which the charity's auditor is unaware. Each Trustee has taken all of the steps that he/she should have taken as a Trustee in order to make himself/herself aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

Approval

This report, incorporating the strategic report, was approved by the Board of Trustees on 14 July 2022 and signed on its behalf:

Tricia Morris
Chair of Trustees

Financial statements

Consolidated statement of financial activities

Including income and expenditure account for the year ended 31 March 2022

	Notes	Unrestricted funds £	Restricted funds £	Endowment funds £	Total 2022 funds £	Total 2021 funds £
Income from						
Donations and legacies	1	7,511,642	2,770,962	-	10,282,604	12,810,769
Charitable activities: Statutory funding	4	996,013	1,238,976	-	2,234,989	2,216,854
Trading activities	3	5,101,470	-	-	5,101,470	1,867,939
Investments	2	475,078	59,098	-	534,176	360,013
Other		155,857	-	-	155,857	1,530,358
Total income	**5**	**14,240,060**	**4,069,036**	**-**	**18,309,096**	**18,785,933**
Expenditure on						
Trading activities	3	3,948,812	-	-	3,948,812	4,653,991
Total income net of trading expenditure		**10,291,248**	**4,069,036**	**-**	**14,360,284**	**14,131,942**
Expenditure on						
Raising funds		1,969,748	-	-	1,969,748	1,750,573
Investment management fees		100,374	-	-	100,374	71,663
Net income available for charitable activities		**8,221,126**	**4,069,036**	**-**	**12,290,162**	**12,309,706**
Charitable activities						
Care of children, young people and families	6	4,856,017	4,007,465	-	8,863,482	9,134,461
Total expenditure	**6**	**10,874,951**	**4,007,465**	**-**	**14,882,416**	**15,610,688**
Net income before gains on investments	**10**	**3,365,109**	**61,571**	**-**	**3,426,680**	**3,175,245**
Net gain on investments	13b	419,404	-	37,516	456,920	1,644,615
Net income		**3,784,513**	**61,571**	**37,516**	**3,883,600**	**4,819,860**
Transfer between funds	17, 18, 19	53,595	(53,595)	-	-	-
Net movement in funds		**3,838,108**	**7,976**	**37,516**	**3,883,600**	**4,819,860**
Reconciliation of funds						
Total funds brought forward	17, 18, 19	41,788,633	601,550	1,605,712	43,995,895	39,176,035
Total funds carried forward	**17, 18, 19**	**45,626,741**	**609,526**	**1,643,228**	**47,879,495**	**43,995,895**

The statement of financial activities includes all gains and losses recognised in the year, all income and expenditure derive from continuing activities of the group.

The accounting policies on page 41 to 44 and the notes to the accounts on page 25 to 40 form part of these financial statements.

Consolidated and charity balance sheet

Company number: 02620879

As at 31 March 2022

	Notes	Group 2022 £	Group 2021 £	Charity 2022 £	Charity 2021 £
Fixed assets					
Tangible assets	11	19,891,294	20,472,357	19,891,294	20,472,357
Intangible assets	12	26,770	122,913	26,770	122,913
Investments	13a	20,577,682	15,046,858	20,577,782	15,046,958
Total		**40,495,746**	**35,642,128**	**40,495,846**	**35,642,228**
Current assets					
Stock	14	25,592	21,846	-	-
Debtors	15	4,717,581	4,079,713	4,745,497	4,099,169
Investments	13c	454,944	452,341	454,944	452,341
Cash at bank and in hand		5,606,929	6,482,467	5,589,340	6,462,678
Total		**10,805,046**	**11,036,367**	**10,789,781**	**11,014,188**
Creditors falling due within 1 year	16a	(1,998,638)	(1,097,947)	(1,995,173)	(1,091,593)
Net current assets		**8,806,408**	**9,938,420**	**8,794,608**	**9,922,595**
Creditors falling due after 1 year	16b	(1,422,659)	(1,584,653)	(1,422,659)	(1,584,653)
Total net assets		**47,879,495**	**43,995,895**	**47,867,795**	**43,980,170**
Funds of the group and charity					
Endowment fund	17	1,643,228	1,605,712	1,643,228	1,605,712
Restricted funds	18	609,526	601,550	609,526	601,550
Unrestricted designated funds	19	27,510,380	27,140,885	27,510,380	27,140,885
Unrestricted general fund	19	18,116,361	14,647,748	18,104,661	14,632,023
Total group and charity funds	**20**	**47,879,495**	**43,995,895**	**47,867,795**	**43,980,170**

Of the net movement in funds for the year of **£3,883,600** (2021:£4,819,860), an amount of **£3,887,625** (2021:£4,814,269) has been dealt with in the Statement of Financial Activities of the parent company.

The financial statements were approved and authorised for issue by the Board of Trustees on 14 July 2022 and signed on its behalf:

Tricia Morris
Chair of Trustees

Consolidated cash flow statement

For the year ended 31 March 2022

	Notes	2022 £	2021 £
Cash provided by operating activities	**28a**	**4,168,663**	**4,591,334**
Cash flows from investing activities			
Deposit interest received		1,464	3,458
Investment income received		429,607	225,814
Rental income received		2,744	9,040
Cash flows from investing activities		**433,815**	**238,312**
Capital expenditure and financial investment Purchases of tangible and intangible fixed assets:			
Charlton Farm		(392)	(21,278)
Other assets		(378,824)	(295,186)
Purchases of tangible and intangible fixed assets		**(379,216)**	**(316,464)**
Proceeds from sales of tangible fixed assets		1,200	-
Fixed asset investments			
Payments		(5,100,000)	(2,000,000)
Fixed asset investments		**(5,100,000)**	**(2,000,000)**
Capital expenditure and financial investment		**(5,478,016)**	**(2,316,464)**
Net cash provided (used in) investing activities		**(5,044,201)**	**(2,078,152)**
Change in cash and cash equivalents in the reporting period	28b	(875,538)	2,513,182
Cash and cash equivalent at the beginning of the year		6,482,467	3,969,285
Total cash and cash equivalent at the end of the year		**5,606,929**	**6,482,467**

Notes to the financial statements

For the year ended 31 March 2022

1 Donations and legacies

	Total 2022 £	Total 2021 £
Individuals	2,269,734	1,977,519
Friends Group fundraising	154,755	57,445
Legacies	5,570,894	6,541,232
Grants and donations from Charitable Trusts	844,423	950,003
Government Grant - NHS England COVID-19 funding**	260,025	2,226,126
Other voluntary income	1,182,773	1,058,444
Total	**10,282,604**	**12,810,769**

**The NHS England awarded funding to allow the hospice to make available bed capacity and community support from April 2020 to March 2022 to provide support to people with complex needs in the context of COVID-19.

2 Investment income

	Total 2022 £	Total 2021 £
UK	209,093	143,312
Overseas	48,947	35,626
Multi-asset funds	265,650	168,577
Income from cash deposits	1,456	3,458
Rental income	9,030	9,040
	534,176	**360,013**

3 Income and expenditure of trading activities

Trading income	Total 2022 £	Total 2021 £
C H S W Promotions Limited	284,861	94,203
Lottery and raffles	772,211	718,277
Donations relating to the sale of goods where the shops acted as agent	1,178,330	283,344
Gift Aid received on donations where the shops acted as agent	292,476	68,678
Shops turnover	2,573,592	703,437
Total	**5,101,470**	**1,867,939**
Trading expenditure		
C H S W Promotions Limited	273,364	78,679
Lottery and raffles	350,567	183,257
Shops (all associated costs including depreciation)	3,398,220	3,062,055
Dilapidations provision	(73,339)	1,330,000
Total	**3,948,812**	**4,653,991**

The principal activity of the charity's wholly owned subsidiary, C H S W Promotions Limited (company number 02645823) is the sale of bought-in goods, including Christmas cards, through the charity shops of the parent charity and through its network of Friends Groups and by mail order.

The income and expenditure of C H S W Promotions Limited are disclosed as 'trading' income and expenditure in the Consolidated Statement of Financial Activities on page 22.

C H S W Promotions Limited	Total 2022 £	Total 2021 £
Turnover	284,861	94,203
Total expenditure	(273,364)	(78,678)
Operating profit and profit before tax	**11,497**	**15,525**
Taxation	-	-
Profit after taxation	**11,497**	**15,525**
Retained earnings at the beginning of the year	15,725	10,134
Distribution of retained earnings as Gift Aid donation to parent	(15,525)	(9,934)
Retained earnings at the end of the year	**11,697**	**15,725**
Assets	43,268	41,742
Liabilities	(31,471)	(25,917)
Net assets	**11,797**	**15,825**

4 Income from charitable activities

	Total 2022 £	Total 2021 £
Funding from regional Clinical Commissioning Groups (CCGs)	996,013	1,017,154
NHS England Children's Hospice grant	1,205,176	1,164,351
NHS England Superannuation grant	33,800	33,800
NHS England Health education placements	-	1,549
Total income from charitable activities	**2,234,989**	**2,216,854**

CHSW acknowledges the award of grants for Little Bridge House, Charlton Farm and Little Harbour from the NHS England Children's Hospice grant. The project undertakes to sustain and develop existing high quality hospice care for palliative care children and young people, their siblings and parents. It promotes education and learning needs of all those working in the sector in a responsive and flexible way. The funding and associated expenditure have been treated as movements in restricted funds.

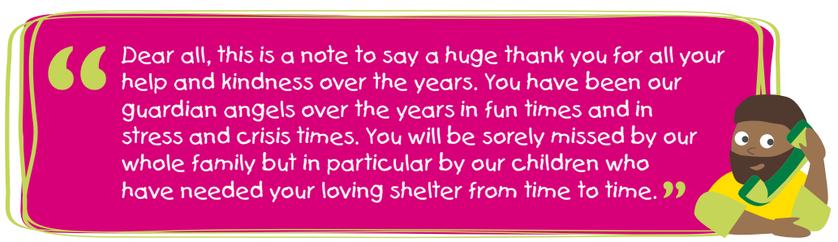
In 2010 the charity succeeded in establishing contractual arrangements with the 6 CCGs whose areas the charity covers. These arrangements were constructed at the behest of government. A price per bed night has been agreed and it has also been agreed the volume of bed nights each CCG will purchase. There are no unfulfilled conditions in respect of these contractual arrangements.

5 Government grants

Included within donations and legacies and other income were government grants recognised in the year ended 31 March 2022

	Total 2022 £	Total 2021 £
COVID-19 Job Retention Scheme	-	1,010,628
Retail, Hospitality and Leisure Grant Fund	141,633	511,914
NHS England Covid Funding**	260,025	2,226,126
Total	**401,658**	**3,748,668**

**The NHS England awarded funding to allow the hospice to make available bed capacity and community support from April 2020 to July 2020 to provide support to people with complex needs in the context of the COVID-19 situation and to provide bed capacity and community support from November 2020 to March 2022 for the same purpose.



6 Total expenditure

	Staff costs £ note 8	Direct costs £	Support costs £ note 7	Total 2022 £	Total 2021 £
Costs of raising funds	3,332,631	2,686,303	-	6,018,934	6,476,227
Care of children, young people and families	6,615,638	1,673,096	574,748	8,863,482	9,134,461
Total	**9,948,269**	**4,359,399**	**574,748**	**14,882,416**	**15,610,688**

Governance costs of £44,936 are included within support costs and comprise the costs of running the charity. This includes insurance £1,815, external audit £18,979, internal audit £3,040, consultancy fees and legal advice for the Trustees £21,102 and all costs of complying with constitutional and statutory requirements such as the costs of Board and Committee meetings £nil.

7 Support costs

Support costs reallocated to the expenditure category of care	Total 2022 £	Total 2021 £
Communications and IT	490,498	522,539
Human Resources	346,165	311,721
Governance	44,936	32,838
Finance	359,931	415,045
Head Office Support	392,029	451,404
Retail grant provision	(84,884)	254,653
Total support costs	**1,548,675**	**1,988,200**
Less: staff costs	(973,927)	(934,118)
Total	**574,748**	**1,054,082**

8 Employee information

Staff costs	Total 2022 £	Total 2021 £
Salaries and wages	8,428,342	8,058,110
Social security costs	716,412	672,156
Pension costs	803,515	723,845
Total	**9,948,269**	**9,454,111**

Average number of persons employed	FTE* 2022	Total 2022	FTE* 2021	Total 2021
Hospice services	132	168	136	175
Fundraising and publicity	42	52	44	57
Trading	71	110	73	105
Management and Finance	20	24	19	22
Total	**265**	**354**	**272**	**359**

5 employees earned between £60,000 and £70,000 per annum in the year (2021:4). **3** employees earned between £70,000 and £80,000 per annum in the year (2021:3). **2** employees earned between £80,000 and £90,000 per annum in the year (2021:2). **1** employee earned between £90,000 and £100,000 per annum in the year (2021:nil). **1** employee earned between £100,000 and £110,000 per annum in the year (2021:1).

Retirement benefits are accruing under a defined benefit scheme for **4** (2021:3) of these higher paid employees. In addition, the charity paid **£54,926** (2021:£51,130) into a defined contribution pension scheme for **8** (2021:7) of these higher paid employees. Salaries and wages include contributions in respect of salary exchange agreements in addition to contractual salary.

Following advice from the Government Actuary's Department as part of the 2016 scheme valuation process, the Department of Health and Social Care (DHSC) confirmed the employer contribution rate will increase to 20.68% with effect from 1 April 2019. The government has committed to cover this cost increase for a certain category of employer's, including CHSW, recurring annually until 31 March 2023.

All Trustees and certain senior employees who have authority and responsibility for planning, directing and controlling the activities of the charity are considered to be key management personnel. Total employment costs (including social security and pension contributions) in respect of senior employees is **£591,213** (2021:£567,678). As stated in note 9, there is no cost of employment in respect of the Trustees.

During the year, redundancy and settlement payments were made totalling **£10,278** (2021:£17,183). At 31 March 2022 the payments outstanding were **nil** (2021:£5,690).

*Full time equivalent.

9 Trustees remuneration and related party transactions

None of the Directors or Trustees received emoluments or benefits in kind during the year in respect of their duties as a Trustee (2021:nil). None of the Directors or Trustees received reimbursement of expenses in the year (2021:nil) for travel and subsistence.

During the year the charity recharged expenses of **£159,523** (2021:£33,457) to C H S W Promotions Limited and remittances were **£151,080** (2021:£46,426). The amount due from C H S W Promotions at the year end was **£28,006** (2021:£19,563) which is included in debtors. Included within this debtor is management recharges of **£158,172** (2021:£33,457).

10 Net income for the year

The net income is stated after charging

	Total 2022 £	Total 2021 £
Depreciation and amortisation of owned tangible and intangible fixed assets	1,056,422	1,167,498
Loss on disposal of fixed assets	1,200	110,655
Operating lease rentals	858,501	784,655
Auditor's remuneration - audit fees	17,219	17,085
Auditor's remuneration - other fees	4,561	9,185

11 Tangible fixed assets

	Freehold land and properties £	Leasehold property £	Motor vehicles £	Office furniture and equipment £	Fittings and other equipment £	Total £
Cost						
At 1 April 2021	21,697,437	501,267	283,475	1,108,726	3,184,986	**26,775,891**
Additions	392	19,382	14,771	170,438	174,233	**379,216**
Disposals	-	(14,497)	(15,000)	(8,637)	(51,788)	**(89,922)**
At 31 March 2022	**21,697,829**	**506,152**	**283,246**	**1,270,527**	**3,307,431**	**27,065,185**
Depreciation						
At 1 April 2021	2,620,961	307,821	262,079	840,577	2,272,096	**6,303,534**
Charged in the year	467,394	74,126	17,564	124,030	277,165	**960,279**
Disposals	-	(14,496)	(15,000)	(8,637)	(51,789)	**(89,922)**
At 31 March 2022	**3,088,355**	**367,451**	**264,643**	**955,970**	**2,497,472**	**7,173,891**
Net book value						
At 31 March 2021	19,076,476	193,446	21,396	268,149	912,890	**20,472,357**
At 31 March 2022	**18,609,474**	**138,701**	**18,603**	**314,557**	**809,959**	**19,891,294**

All of the assets above are used on a continuing basis in pursuit of the charity's activities.

11a Freehold land and properties

	Little Bridge House £	Charlton Farm £	Little Harbour £	Total £
Cost				
At 1 April 2021	3,480,452	12,501,679	5,715,306	**21,697,437**
Additions	-	392	-	**392**
At 31 March 2022	**3,480,452**	**12,502,071**	**5,715,306**	**21,697,829**
Depreciation				
At 1 April 2021	1,134,091	1,069,039	417,831	**2,620,961**
Charged in the year	101,311	271,656	94,427	**467,394**
At 31 March 2022	**1,235,402**	**1,340,695**	**512,258**	**3,088,355**
Net book value				
At 31 March 2021	2,346,361	11,432,640	5,297,475	**19,076,476**
At 31 March 2022	**2,245,050**	**11,161,376**	**5,203,048**	**18,609,474**

Included in the above is land totalling £2,947,681 which is not depreciated.

12 Intangible fixed assets

	Computer software £
Cost	
At 1 April 2021	**745,278**
Additions	-
Disposals	-
At 31 March 2022	**745,278**
Depreciation	
At 1 April 2021	**622,365**
Charged in the year	**96,143**
Disposals	-
At 31 March 2022	**718,508**
Net book value	
At 31 March 2021	**122,913**
At 31 March 2022	**26,770**

13a Investments

	Group 2022 £	Group 2021 £	Charity 2022 £	Charity 2021 £
Listed investments				
UK equities and bonds at cost	3,798,240	2,174,223	3,798,240	2,174,223
Overseas equities and bonds at cost	3,471,399	2,500,730	3,471,399	2,500,730
Multi-fund assets at cost	9,691,774	8,141,189	9,691,774	8,141,189
Other assets at cost	1,665,667	1,100,176	1,665,667	1,100,176
Cumulative net gains on revaluation at period end	1,472,384	859,219	1,472,384	859,219
Market value at period end (note 13b)	20,099,464	14,775,537	20,099,464	14,775,537
Cash held as part of investment portfolios	392,218	185,321	392,218	185,321
	20,491,682	**14,960,858**	**20,491,682**	**14,960,858**
Other investments				
Donated land held for investment purposes (note 27)	86,000	86,000	86,000	86,000
Investment in C H S W Promotions Limited	-	-	-	-
Shares at cost	-	-	100	100
Total	**20,577,682**	**15,046,858**	**20,577,782**	**15,046,958**

The charity's investment portfolio was managed by Cazenove Capital Management (until November 2020), Aberdeen Standard (from July 2020) and Sarasin & Partners throughout the period. Investments are held in a diverse portfolio, managed by Sarasin, Cazenove, Aberdeen Standard and other fund managers, and in Government stocks.

C H S W Promotions Limited is a wholly owned subsidiary which is registered in England and Wales and whose principal activity is the sale of bought-in goods for the benefit of CHSW. The shares are Ordinary Shares of £1 each and are shown at cost. The company pays its taxable profits to the charity under Gift Aid.

13b Listed investments market value

Listed investments	2022 £	2021 £
Market value at 1 April	14,775,537	11,096,745
Additions at cost	5,929,971	13,247,994
Sales proceeds	(1,062,964)	(11,209,263)
Equalisations	-	(4,554)
Net gains	456,920	1,644,615
At 31 March 2022	**20,099,464**	**14,775,537**

13c Current asset investment

	2022 £	2021 £
Investment in Hope Cove	454,944	452,341

14 Stock

	Group 2022 £	Group 2021 £	Charity 2022 £	Charity 2021 £
Stock for resale	**25,592**	**21,846**	**-**	**-**

15 Debtors

	Group 2022 £	Group 2021 £	Charity 2022 £	Charity 2021 £
Amounts owed by group undertakings	-	-	28,006	19,563
Legacies receivable	3,522,804	2,810,639	3,522,804	2,810,639
Other debtors including tax recoverable	479,266	274,875	479,176	274,768
Prepayment and accrued interest	715,511	994,199	715,511	994,199
	4,717,581	**4,079,713**	**4,745,497**	**4,099,169**

16a Creditors less than 1 year

	Group 2022 £	Group 2021 £	Charity 2022 £	Charity 2021 £
Trade creditors	146,710	155,779	146,684	155,720
Taxation and social security	174,979	162,501	174,979	162,501
Sundry creditors	188,552	145,069	188,552	145,069
Accruals and deferred income	1,488,397	634,598	1,484,958	628,303
	1,998,638	**1,097,947**	**1,995,173**	**1,091,593**

Deferred income of **£1,133,296** arose in the year and £376,554 brought forward from 2020 to 2021 was released.

Deferred income includes income relating to registrations and sponsorship for upcoming events **£138,813** (2021:£387,366), lottery subscriptions for future draws **£98,154** (2021:£89,188) and grant income of **£808,804** (2021:£130,000).

16b Creditors more than 1 year

	Group 2022 £	Group 2021 £	Charity 2022 £	Charity 2021 £
Dilapidations provisions	1,252,890	1,330,000	1,252,890	1,330,000
Retail grant provisions	169,769	254,653	169,769	254,653
	1,422,659	**1,584,653**	**1,422,659**	**1,584,653**

Dilapidations provision. During 2020 to 2021 COVID-19 had caused CHSW to review its Retail Strategy. It has therefore created a dilapidation provision for each of its shops. As each of CHSW's shop leases comes to an end there is likely to be a dilapidation cost, if CHSW leave the premises, at this point the provision will be released. At the time of departure the dilapidations cost will be assessed by surveyors and may differ from the estimate made.

Retail grant provision. During 2020 to 2021 CHSW was in receipt of a number of retail grants (note 5) due to COVID-19. During the period 5 January 2021 to 15 February 2021 there was some ambiguity in the guidance due to the uncertainty following Brexit. CHSW sought appropriate legal council which advised that we were highly likely to be permitted by the subsidy rules to claim these grants, however it was agreed that a provision be established in case there was any requirement to repay. The amounts are being released over 3 years as the risk reduces of there being a payment required.

17 Endowment fund

During 2007 the charity received an expendable endowment of £1 million, the income from which is restricted. This income funds care staff costs at Charlton Farm and, in particular, the post of Head of Care. Income in 2021 to 2022 is **£59,098** (2021:£48,650) and is included in restricted funds income on the Statement of Financial Activities. The gain in 2021 to 2022 is **£37,516** (2021:£205,056).

	1 April 2021 £	Income £	Expenditure £	Gains £	31 March 2022 £
Endowment	1,605,712	-	-	37,516	1,643,228

	1 April 2020 £	Income £	Expenditure £	Gains £	31 March 2021 £
Endowment	1,400,656	-	-	205,056	1,605,712

18 Restricted funds

	1 April 2021 £	Income £	Expenditure £	Transfer between funds £	31 March 2022 £
Little Harbour capital	380,000	-	-	-	380,000
	380,000	**-**	**-**	**-**	**380,000**
NHS England grants	-	1,499,001	(1,499,001)	-	-
Little Bridge House funds	55,002	153,080	(144,415)	(4,480)	59,187
Charlton Farm funds	75,509	624,688	(619,124)	(1,684)	79,389
Little Harbour funds	47,845	1,719,819	(1,700,339)	(28,876)	38,449
CHSW funds	43,194	72,448	(44,586)	(18,555)	52,501
	601,550	**4,069,036**	**(4,007,465)**	**(53,595)**	**609,526**

	1 April 2020 £	Income £	Expenditure £	Transfer between funds £	31 March 2021 £
Little Harbour capital	380,000	-	-	-	380,000
	380,000	**-**	**-**	**-**	**380,000**
NHS England grants	-	3,390,477	(3,390,477)	-	-
Little Bridge House funds	57,763	87,662	(87,852)	(2,571)	55,002
Charlton Farm funds	188,296	501,314	(479,524)	(134,577)	75,509
Little Harbour funds	48,867	816,662	(807,023)	(10,661)	47,845
CHSW funds	31,418	39,708	(26,912)	(1,020)	43,194
	706,344	**4,835,823**	**(4,791,788)**	**(148,829)**	**601,550**

The NHS England grant is the NHS England 'Children's Hospice grant' which was given to sustain and develop the existing high quality hospice care for palliative care children, their siblings and parents.

The Little Bridge House, Charlton Farm, Little Harbour and CHSW funds include donations towards specific projects at each hospice and across the whole charity, including Music Therapy, equipment, rooms and gardens, parties and presents, play equipment and materials, salary and other revenue costs, and funding of mums and dads groups.

Other legacies and donations are restricted to be spent at a specific hospice. 6 restricted legacies were over £50,000, of which a total of **£183,242** was donated for Charlton Farm and **£1,347,820** was donated for Little Harbour.

Transfers between funds represent the amounts spent on capital assets from revenue funds. Only assets with a continuing restriction are maintained as restricted funds.

19 Unrestricted funds

2021 to 2022 group	1 April 2021 £	Income £	Expenditure £	Investment gains £	Transfer between funds £	31 March 2022 £
Designated capital funds	20,215,272	-	(1,056,420)	-	379,213	**19,538,065**
Designated care income fund	6,925,613	-	-	-	1,046,702	**7,972,315**
Total designated funds	**27,140,885**	**-**	**(1,056,420)**	**-**	**1,425,915**	**27,510,380**
Unrestricted general funds	14,647,748	14,240,060	(9,818,531)	419,404	(1,372,320)	**18,116,361**
Total unrestricted funds	**41,788,633**	**14,240,060**	**(10,874,951)**	**419,404**	**53,595**	**45,626,741**

2021 to 2022 charity	1 April 2021 £	Income £	Expenditure £	Investment gains £	Transfer between funds £	31 March 2022 £
Designated capital funds	20,215,272	-	(1,056,420)	-	379,213	**19,538,065**
Designated care income fund	6,925,613	-	-	-	1,046,702	**7,972,315**
Total designated funds	**27,140,885**	**-**	**(1,056,420)**	**-**	**1,425,915**	**27,510,380**
Unrestricted general funds	14,632,023	14,128,897	(9,703,343)	419,404	(1,372,320)	**18,104,661**
Total unrestricted funds	**41,772,908**	**14,128,897**	**(10,759,763)**	**419,404**	**53,595**	**45,615,041**

2020 to 2021 group	1 April 2020 £	Income £	Expenditure £	Investment gains £	Transfer between funds £	31 March 2021 £
Designated capital funds	21,176,960	-	(1,167,499)	-	205,811	**20,215,272**
Designated care income fund	-	-	-	-	6,925,613	**6,925,613**
Jill Farwell's memorial fund	80	-	(80)	-	-	-
Total designated funds	**21,177,040**	**-**	**(1,167,579)**	**-**	**7,131,424**	**27,140,885**
Unrestricted general funds	15,891,995	13,950,110	(9,651,321)	1,439,559	(6,982,595)	**14,647,748**
Total unrestricted funds	**37,069,035**	**13,950,110**	**(10,818,900)**	**1,439,559**	**148,829**	**41,788,633**

2020 to 2021 charity	1 April 2020 £	Income £	Expenditure £	Investment gains £	Transfer between funds £	31 March 2021 £
Designated capital funds	21,176,960	-	(1,167,499)	-	205,811	**20,215,272**
Designated care income fund	-	-	-	-	6,925,613	**6,925,613**
Jill Farwell's memorial fund	80	-	(80)	-	-	-
Total designated funds	**21,177,040**	**-**	**(1,167,579)**	**-**	**7,131,424**	**27,140,885**
Unrestricted general funds	15,881,861	13,899,299	(9,606,101)	1,439,559	(6,982,595)	**14,632,023**
Total unrestricted funds	**37,058,901**	**13,899,299**	**(10,773,680)**	**1,439,559**	**148,829**	**41,772,908**

The Trustees have established designated capital funds which are equivalent to the net book value of unrestricted tangible and intangible fixed assets used to enable CHSW to carry out its charitable work. Of the net transfers between funds, **£53,595** represent the amounts spent on capital assets from restricted funds where the restrictions on the donations for assets have been fulfilled. In the year **£325,618** was spent on capital from general unrestricted funds and was transferred to designated capital funds.

The designated care income fund was established in 2021 to identify the funds that will be applied to the CHSW Care Endowment Fund (note 27).

Jill Farwell's Memorial Fund was established by donations to remember Jill's death in September 2004. The Trustees, together with Eddie Farwell, decided that the funds will be used to provide ongoing Music Therapy.

Unrestricted general funds have the primary aim of reducing the dependency of the charity on any of its income streams as they develop in the future and to specifically fund essential projects to improve the service of the organisation.

20 Analysis of fund balances between net assets

As at 31 March 2022	Unrestricted £	Restricted £	Endowment £	Total £
Fixed assets	19,538,064	380,000	-	**19,918,064**
Investments	18,934,454	-	1,643,228	**20,577,682**
Net current assets	8,576,882	229,526	-	**8,806,408**
Non current liabilities	(1,422,659)	-	-	**(1,422,659)**
	45,626,741	**609,526**	**1,643,228**	**47,879,495**
As at 31 March 2021				
Fixed assets	20,215,270	380,000	-	**20,595,270**
Investments	13,441,146	-	1,605,712	**15,046,858**
Net current assets	9,716,870	221,550	-	**9,938,420**
Non current liabilities	(1,584,653)	-	-	**(1,584,653)**
	41,788,633	**601,550**	**1,605,712**	**43,995,895**

Free reserves	Group 2022 £	Group 2021 £	Charity 2022 £	Charity 2021 £
Unrestricted general funds	18,116,361	14,647,748	18,104,661	14,632,023
	18,116,361	**14,647,748**	**18,104,661**	**14,632,023**
Free reserves target (ceiling)	14,878,581	13,411,160	14,878,581	13,411,160
Free reserves target (floor)	12,717,978	11,670,998	12,717,978	11,670,998

21 Status of the charitable company

The charity is a company limited by guarantee, having no share capital. The liability of each member, in the event of winding-up, is limited to £1.

22 Operating lease commitments

The total commitment under operating leases for premises is as follows

Payments falling due	2022 £	2021 £
Within 1 year	749,653	697,782
Between 2 and 5 years	1,053,553	1,056,321
In more than 5 years	80,262	-

The total commitment under operating leases for other assets is as follows

Payments falling due	2022 £	2021 £
Within 1 year	30,459	27,433
Between 2 and 5 years	95,980	37,325
In more than 5 years	1,518	-

23 Pension commitments

CHSW employees belonged to two principal pension schemes during the year. The NHS pension scheme for eligible staff is a defined benefit scheme. Non eligible members of staff are offered a defined contribution scheme administered by Scottish Widows.

NHS scheme

Only ex-NHS qualified doctors and nurses are eligible to join the NHS scheme. The NHS scheme is a multi-employer defined benefit pension scheme. As the charity is unable to identify its share of the assets and liabilities of the scheme on a consistent and reliable basis, the scheme is treated by the charity as if it were a defined contribution scheme, in accordance with Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) 'Retirement benefits'.

Total pension contributions and liabilities

The total pension costs, excluding salary exchange, charged in the year represent the charity's contributions to all the schemes and amounted to **£803,515** (2021:£723,845). The charity's contributions outstanding at 31 March 2022 were **£113,568** (2021:£101,953). The assets and liabilities of both schemes are held separately from those of the charity, in independently administered pension schemes.

24 Capital commitments

At the balance sheet date the Charity had capital commitments totalling £nil (2021:£nil).

25 Indemnities

Legacies

The charity has indemnified the executors of 3 estates in respect of residuary legacies distributed to the charity. The maximum liability under the indemnities at the date the accounts were approved is **£27,437** (2021:£27,437).

Solicitors' unclaimed client funds

Following the passing of relevant legislation, solicitors are now permitted to distribute to charities certain unclaimed client funds, however an indemnity is required from those charities to indefinitely commit to refund any funds that are subsequently claimed. The total of the charity's indemnities is **£104,919** (2021:£104,919).

26 Legacies receivable

As at 31 March 2022 the charity had been notified of a number of residuary legacies, the values of which were uncertain, as the executors were awaiting confirmation of other claims on the estate and may also be in the process of realising assets such as residential property. The estimated total of these legacies could be up to **£2.8 million**.

None of these legacies have been accrued in the financial statements.

27 Post balance sheet event

On the 27 April 2022 planning permission was granted to build 60 dwellings on the Land at Yatton, this decision can be appealed until 26 June 2022 (note 13a).

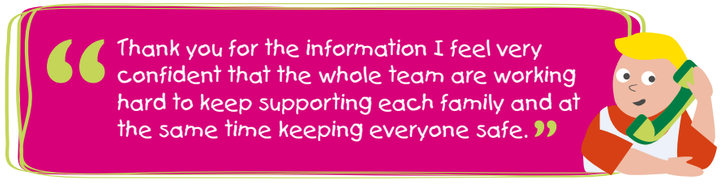
On the 14 July 2022 the CHSW Care Endowment Fund was formerly and legally set up.

28a Note to the cash flow statement
Reconciliation of net movement in funds to the net cash flow from operating activities

	Total 2022 £	Total 2021 £
Net movement in funds	3,883,600	4,819,860
Add back: depreciation and amortisation charges	1,056,422	1,167,498
Add back: (losses) on investments	(456,920)	(1,644,615)
Deduct: Investment income and deposit interest	(433,801)	(289,177)
(Profit)/Loss on disposal of fixed assets	(1,200)	110,650
(Increase)/decrease in stocks	(3,746)	9,979
(Increase) in debtors	(585,709)	(573,435)
Increase in creditors	874,564	1,442,915
(Decrease) in provisions	(161,944)	-
(Increase) in hope cove investment	(2,603)	(452,341)
Net cash provided by operating activities	**4,168,663**	**4,591,334**

28a Note to the cash flow statement
Analysis of changes in net cash resources

	Total 2022 £	Cash flow £	Total 2021 £
Cash at bank and in hand	6,482,467	(875,538)	5,606,929



29 Prior year statement of financial activities

	Unrestricted £	Restricted £	Endowment £	Total 2021 £
Income from				
Donations and legacies	9,223,296	3,587,473	-	**12,810,769**
Charitable activities: Statutory funding	1,017,154	1,199,700	-	**2,216,854**
Trading activities	1,867,939	-	-	**1,867,939**
Investments	311,363	48,650	-	**360,013**
Other	1,530,358	-	-	**1,530,358**
Total income	**13,950,110**	**4,835,823**	**-**	**18,785,933**
Expenditure on				
Trading activities	4,653,991	-	-	**4,653,991**
Total income net of trading expenditure	**9,296,119**	**4,835,823**	**-**	**14,131,942**
Expenditure on				
Raising funds	1,750,573	-	-	**1,750,573**
Investment management fees	71,663	-	-	**71,663**
Net income available for charitable activities	**7,473,883**	**4,835,823**	**-**	**12,309,706**
Charitable activities				
Care of children, young people and families	4,342,673	4,791,788	-	9,134,461
Total expenditure	**10,818,900**	**4,791,788**	**-**	**15,610,688**
Net income before gains on investments	**3,131,210**	**44,035**	**-**	**3,175,245**
Net gains on investments	1,439,559	-	205,056	1,644,615
Net income	**4,570,769**	**44,035**	**205,056**	**4,819,860**
Transfer between funds	**148,829**	**(148,829)**	**-**	**-**
Net movement in funds	**4,719,598**	**(104,794)**	**205,056**	**4,819,860**
Reconciliation of funds				
Total funds brought forward	**37,069,035**	**706,344**	**1,400,656**	**39,176,035**
Total funds carried forward	**41,788,633**	**601,550**	**1,605,712**	**43,995,895**

Accounting policies

Basis of preparation and accounting policies

CHSW is a registered charity with the Charity Commission England and Wales (charity number 1003314) and was incorporated as a private company limited by guarantee (company number 02620879). Its registered office is Little Bridge House, Redlands Road, Fremington, Barnstaple, Devon EX31 2PZ. This is also the registered address of the subsidiary.

The following accounting policies have been applied consistently in dealing with items that are considered material in relation to the financial statements:

(a) Basis of preparation of accounts

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Companies Act 2006 and Charities Act 2011.

CHSW meets the definition of a public benefit entity under FRS 102.

These financial statements consolidate the results of the charity and its wholly owned subsidiary, C H S W Promotions Limited, on a line by line basis. All intergroup transactions are eliminated on consolidation.

A separate statement of financial activities and income and expenditure account for the charity has not been presented because the charity has taken advantage of the exemption afforded by section 408 of the Companies Act 2006. The charity has taken advantage of the exemptions in FRS 102 from the requirements to present a charity only cash flow statement and certain disclosures about the charity's financial instruments.

(b) Going concern

The group has cash resources and no requirement for external funding to fund normal operating activities. The Trustees believe that there are no material uncertainties about the group's ability to continue in operating existence for the foreseeable future, having reviewed our financial position, reserves levels and future plans. In forming these conclusions, the Trustees have considered the ongoing financial impact of COVID-19. They continue to believe the going concern basis of accounting appropriate in preparing the annual financial statements.

(c) Fund accounting

Restricted funds are those to be used in accordance with specific instructions imposed by donors or which have been raised by the charity for specific purposes. The aim and use of each restricted fund is set out in the notes to the accounts where material.

The Baylis Endowment Fund is to be retained for the benefit of the charity as a capital fund. The income generated from the capital is restricted due to the wishes of the donor. The endowment fund included in these accounts is an expendable endowment.

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity.

The Trustees have designated certain unrestricted funds as capital funds, representing the net book value of the unrestricted fixed assets used to enable CHSW to carry out its charitable work. During the prior year the Trustees designated funds with the intention of setting up the CHSW Care Endowment Fund.

(d) Income

Income is recognised when the charity 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 the amount can be measured reliably.

Income from voluntary sources is received by way of donations and gifts and is included in full in the Statement of Financial Activities when receivable.

Income from Gift Aid tax reclaims is recognised for all donations made prior to the year end, where valid Gift Aid declarations are held, and allocated to the same fund as the underlying donation.

Donated services and facilities

Properties, investments, and other fixed assets donated to the charity are included as income and recognised as assets at market value at the time that the charity takes control of the item. Donated services and facilities are included as income, if material, at

their estimated value to the charity when received, and under the appropriate expenditure heading depending on the nature of service provided, at the same value and time. Although it is of significant value to the charity, time donated by the charity's many volunteers and Friends Group members is not recognised in the accounts as it cannot be reliably valued and is specifically exempted by the SORP. Details of the role played by volunteers and the nature of their contribution can be found in the Trustees' Report.

Stocks of donated goods for resale cannot be measured reliably in a cost-effective manner, due to the high volume of low value items received. Therefore donated goods for resale are not recognised on receipt, but their value is recognised as income when sold.

Legacy income

Legacies are recognised when the charity is entitled to the funds (when there is a valid will and they are notified of the benefactors death), when receipt is probable (indicated by grant of probate) and the charity can reliably estimate the legacy income receivable.

Recognition is therefore dependent upon the type of legacy:

- Pecuniary legacies are recognised when notification is received and probate has been granted
- Residuary legacies are recognised when notification is received, probate has been granted and a reliable estimate of the fair value can be made (the executors have compiled draft accounts)
- Discretionary/conditional legacies are not recognised until a distribution has been made or all conditions have been satisfied.

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 (note 26).

Income received in advance

Income received in advance of an event or provision of other specific service, is deferred until the criteria for income recognition are met.

Interest received

Interest on funds held on deposit is included when receivable.

Investment income

Investment income is credited to income on an accruals basis.

Grants (including Government grants)

Grants received for specific purposes are accounted for as restricted funds. Grants that provide core funding or are of a general nature provided by charitable foundations are recorded as donations. The grants detailed in note 4 have been included as income from charitable activities as they relate to the provision of care services. Grants are recognised in full when entitlement is established.

(e) Expenditure

Expenditure is accounted for on an accruals basis and 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 has been classified under the following activity headings:

- The costs of raising funds are those incurred in encouraging individuals and organisations to make voluntary contributions and donations to the charity. This includes the costs of the charity's fundraising offices and supporter groups, the cost of trading and investment management fees
- Charitable expenditure comprises direct expenditure including direct staff costs attributable to its care activities and support costs.

The treatment of VAT is detailed in (h) page 43.

Support costs include central functions and are allocated to activity cost categorised on a basis consistent with the use of resources. This allocation is carried out on a substantive activity basis and does not take account of incidental use.

Governance costs are included within support costs and comprise the costs of running the charity. This includes external audit, any legal advice for the Trustees and all costs of complying with constitutional and statutory requirements such as the costs of Board and Committee meetings.

(f) Operating leases

Rentals applicable to operating leases, where substantially all the risks and rewards of ownership remain with the lessor, are charged in the statement of financial activities over the life of the lease on a straight line basis. They include retail shops, vehicles and photocopiers.

(g) Pension costs

The charity contributed to 1 defined benefit scheme in the year, but also operates a defined contribution pension scheme. Pension costs charged to the statement of financial activities represent the contributions payable by the charity in respect of the accounting period. Both schemes are accounted for as defined contribution schemes. Note 23 provides a detailed explanation.

(h) Taxation

The charity is exempt from Corporation Tax on its charitable activities.

The charity is registered for Value Added Tax. Irrecoverable VAT is allocated to the areas in which it is incurred.

(i) Tangible and intangible fixed assets

Tangible and intangible fixed assets are depreciated and amortised in equal annual instalments, using the straight-line basis, over their estimated useful lives, as follows

Little Bridge House, Charlton Farm and Little Harbour	50 years
Other freehold buildings	5 to 50 years
Leasehold property	Life of lease
Medical equipment	5 to 10 years
Furniture and equipment; fixtures and fittings	4 to 20 years
Garden, play and external equipment	5 to 10 years
Soft furnishings	4 to 5 years
Computer equipment and software	3 to 5 years
Motor vehicles	4 years

No depreciation is provided on freehold land.

The cost of minor additions, defined as those costing less than £500 each, are expensed in the year in which they are incurred.

(j) Fixed asset investments

Assets held with the intention of retaining them long-term for the continuing benefit of the charity through income and capital appreciation are classified as fixed asset investments. These may include investments listed on a recognised stock exchange (or ones valued by reference to such investments, such as common investment funds, open ended investment companies, and unit trusts), investment land or properties, investments in subsidiary undertakings, and cash held for investment purposes.

Fixed asset investments, other than cash deposits, are stated at market valuation and any gains or losses are dealt with in the statement of financial activities.

Investment in the subsidiary is stated at cost.

Current asset investment

Current asset investments consist of a property left to CHSW in a will. The property was valued by an independent agent at 31 March 2021 and has been recognised at the indicated value. Additional expenses are recognised at cost.

(k) Stock

Stock consists of purchased goods for resale. Purchased goods for resale are valued at the lower of cost and net realisable value, after allowing for obsolete and slow moving stock.

(l) Debtors

Other debtors, legacies receivable and accrued income are recognised at the settlement amount due after any trade discounts. Prepayments are valued at the amount prepaid net of any trade discount.

(m) Cash at bank and in hand

Cash at bank and in hand includes cash in hand and cash held by financial institutions.

(n) Creditors

Creditors are recognised when the charity 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.

(o) Financial instruments

The charity only has basic financial instruments that result in the recognition of financial assets and financial liabilities. Financial instruments include cash at bank, trade debtors, legacies receivable, accrued income from financial instruments (comprising dividends and interest due from investments), trade and sundry creditors and accrued expenditure. Financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

(p) 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 are especially significant:

Useful economic lives of tangible and intangible assets
The annual depreciation and amortisation charges for the tangible and intangible assets are sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are amended when necessary to reflect current estimates and the physical condition of the assets. See notes 11 and 12 for the carrying amount of the tangible and intangible assets and policy (i) for the useful lives for each class of asset.

Impairment of debtors
The group makes an estimate of the recovery of trade debtors and other debtors. When assessing the impairment of trade debtors and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience.

Provisions
The group has estimated the anticipated costs of dilapidations across its retail operations based on the age of the lease and the fit out costs.

The group has estimated the potential maximum claw-back on its retail grant income based on legal advice received and detailed calculations.

Audit report

Independent auditor's report to the members of CHSW

Opinion

We have audited the financial statements of Children's Hospice South West ('the charitable company') and its subsidiary ('the group') for the year ended 31 March 2022 which comprise the Consolidated Statement of Financial Activities, Consolidated and Charity Balance Sheet, Consolidated Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- Give a true and fair view of the state of the group's and the charitable company's affairs as at 31 March 2022 and of the group's income and expenditure, for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- 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 UK, 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 trustee's 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 charitable company's or the group'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 contained within the annual report. 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.

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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- The information given in the Trustees' report, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements
- The strategic report and the directors' report included within the Trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the group and charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the Trustees' report.

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

- Adequate and proper accounting records have not been kept
- The financial statements are not in agreement with the accounting records and returns
- Certain disclosures of Trustees' remuneration specified by law are not made
- 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 set out on page 21, 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 charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

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 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 were Care Quality Commission (CQC) Regulations.

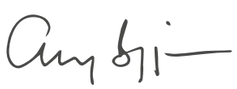
Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of income and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management and the Investment and Finance 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.

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 the charitable company's members as a body for our audit work, for this report, or for the opinions we have formed.



Guy Biggin
Senior Statutory Auditor

For and on behalf of Crowe UK LLP Statutory Auditor
4th Floor, St James House,
St James Square,
Cheltenham GL50 3PR

Date: 2 August 2022

Structure, governance and management

CHSW is a registered charity with the Charity Commission in England and Wales (charity number 1003314) and was incorporated as a private company limited by guarantee (company number 02620879), on 17 June 1991. Legal and company information is set out on page 52 and lists the Directors and Trustees, the SMT and the principal advisors and forms part of this report.

Principal object of the charity

The charity was established 'to promote the relief of illness and suffering in such ways as the Association shall from time to time think fit, and particularly in the South West counties of England and adjacent areas' and in particular:

- By establishing, maintaining and conducting residential nursing homes for the reception and care of young persons who are suffering from any chronic or terminal illness or from any other physical or mental infirmity, disability or disease and for the reception and care of the members of the family of such persons whether adult or otherwise, and so that any such home may be restricted to patients (and the families of patients) of under a certain age limit or to patients suffering from any particular types of illness, disability, disease or infirmity, and by providing medical or other treatment or attention for any such persons and their families as aforesaid in their own homes
- By conducting or promoting or encouraging research into the care and treatment of persons suffering from any such illness, disability, disease or infirmity as aforesaid and particularly into the care and treatment of persons suffering from terminal illness and the care of the families of such persons and by providing for the dissemination of the results of such research
- By promoting or encouraging or assisting in the teaching or training of Doctors, Nurses, Physiotherapists, Administrators, Social Workers, and other persons engaged in any branch of medicine, surgery, nursing or allied services, and in the teaching or training of students in any branch of medicine, surgery, nursing or allied services
- By providing or assisting or encouraging the provision of spiritual help and guidance for any persons resident (either as patients or as families) or associated in any way with any such home or homes as aforesaid.

In pursuing the principal objectives of the organisation, activities that CHSW provides to the families in the South West are detailed on page 8 to 13.

Organisational structure

The charity is constituted as a company limited by guarantee, and, therefore, is governed by a Memorandum and Articles of Association and has no share capital.

The charity has a wholly owned subsidiary, C H S W Promotions Limited. The principal activity of the subsidiary is the sale of promotional and bought in goods in support of CHSW.

The Directors of this subsidiary throughout the year, unless otherwise stated, are as follows:

- Nicola Mason, CHSW Trustee
- Jessica Patel, CHSW Director of Marketing and Communications
- David Turner, CHSW Trustee
- Jonathan Webber, CHSW Director of Finance and Retail.

All Directors of CHSW, (excluding the SMT), are also Trustees of the charity and there are no other Trustees. All the Trustees named on page 52 served throughout the year and until the date this report has been signed, unless otherwise stated.

The charity is organised so that the Trustees meet collectively 4 times a year to direct the management of its affairs. Strategy days are also held periodically. The members (the members of the charity include all Trustees' and 3 other individuals) of the charity may, by ordinary resolution, appoint persons who are willing to act to be Trustees.

> "The Child Death Overview Panel (CDOP) reviewed the case of one of our CHSW children who died at home and wanted to recognise the good practice of close and collaborative working between professionals which enabled her and her family to be supported to remain in their choice for end of life care."

Assurance Committees

In addition to regular Board meetings, with the attendance of all Trustees and the SMT, delegated authority has been given to Assurance Committees to assist the Board in several functional and risk areas of the organisation. These Assurance Committees are attended by Trustees with relevant skills and experience, meet at least 3 times per year and report directly to the Board. They currently include:

- Care Assurance Committee
- Income Generation and Marketing Assurance Committee
- Investment and Finance Assurance Committee
- Governance Assurance Committee (incorporating risk and remuneration).

Appointment of Trustees

The Board of Trustees is responsible for confirming the appointment of a new Trustee following a clear recruitment and selection policy and procedure. The term of office is 3 years after which period a Trustee must seek re-appointment by the Board if he or she wishes to continue as a Trustee. There is currently a 3 term maximum on the number of terms of office a Trustee can serve.

CHSW will ensure it maintains and enhances its own accountability and wider public confidence in its work by:

- Engaging effectively with the community it serves
- Responding equitably to the needs of its users
- Endeavouring to ensure a mix of Trustees that reflects the mix of CHSW beneficiaries and its local communities.

New Trustees are offered a programme of induction which includes reading a certain amount of literature, meeting with some of those who lead the organisation, and gaining some first-hand experience of situations in which we work. The programme of induction contains the following elements:

- A document pack including:
  - Organisational structure chart
  - Governing documents and governance policies
  - Strategic plan
  - Latest annual report
  - Latest management accounts
  - Risk register
  - Annual meeting schedule
- Meeting key personnel including the chair of Trustees and individual members of the SMT
- Taking a tour of one of our hospices and meeting with the Head of Care
- Attending a welcome day with other new staff
- Spending time on a shift, working with the Care Team, pending restrictions
- Attending other key events, fundraising events and a Friends Group conference.

Management

The day-to-day operation of the charity is carried out by SMT, listed on page 52, who have delegated responsibility and are employees of the charity.

Care services throughout the charity are provided under the direction of the Director of Care, Allison Ryder. Fundraising staff work under the direction of the Director of Fundraising, Paul Courtney. The Director of Marketing and Communications, Jessica Patel, oversees marketing and communication issues together with IT services. The finance function is overseen by the Director of Finance and Retail, Jonathan Webber. Jonathan is also Company Secretary and is responsible for retail trading operations.

The Director of HR, Daphne Sands, is also responsible for facilities management and health and safety.

The above members of SMT report to the Chief Executive, Eddie Farwell, who oversees all operational and strategic matters.

SMT remuneration, including that of the Chief Executive, is reviewed annually by the Governance Assurance Committee. Senior management remuneration is established and reviewed periodically based on the Hay Group methodology in respect to job evaluation and also having due regard to CHSW's duty to ensure best value and after taking advice on pay levels, market conditions and other relevant factors.

Other than allowable business expenses, CHSW makes no payments in addition to the basic salary to the Chief Executive and SMT for undertaking their core role. Any authorised additional hours will be subject to the conditions in line with all staff.

Employees

CHSW is committed to the principle of equal opportunities in employment and recognises its obligations under the Equality Act 2010. CHSW declares its opposition to any form of less favourable treatment, whether through direct or indirect, associated or perceived discrimination accorded to CHSW staff, or job applicants, on the grounds of their race, nationality or ethnic origin, disability, sex, age, sexual orientation and gender reassignment, marital and civil partnership status, pregnancy and maternity, religion or belief, (otherwise known as 'protected characteristics' as defined by the Equality Act 2010), including Human Rights.

CHSW is committed to creating a positive culture of respect for all CHSW staff and to promote positive practice and value the diversity of all individuals and communities.

CHSW embraces and recognises the importance of diversity, and that different people bring different perspectives, ideas, knowledge and culture, and that this difference brings great strength as well as contributing to employee wellbeing and engagement.

Our aim is to create a culture that respects and values each person's differences, that promotes dignity, equality, diversity and inclusivity, and that encourages individuals to develop and maximise their true potential.

We expect commitment and involvement from all CHSW staff, partners and providers of goods and services in working towards the achievement of our aim. Continued close attention is paid to the health and safety of employees while at work and all employees are provided with appropriate training in compliance with our CHSW Health and Safety Policy.

Employee views are sought through a number of forums including 121s, team meetings, steering groups, staff survey and the Staff Council. CHSW's strong 'Speaking Up' culture is also supported by a team of Freedom to Speak Up Champions from across the organisation which includes a Trustee. There were no concerns raised via the Whistleblowing Policy this year. Information concerning the charity and its activities and performance are shared with employees through several mediums including Internal Communications via email, the Staff Intranet, and Site Meetings. These forms of communication are constantly evolving and the use of video conferencing over Zoom and Teams has become embedded into our new ways of working.

Engaging with our stakeholders

The CHSW Trustees set out to define discrete stakeholder groups and recognises that in many cases they have complementary interests and shared priorities. Stakeholders identified include children and young people living with life-limiting conditions, their families, donors, staff, volunteers, CCGs, local communities, contractors, suppliers, and our Patron.

The Trustees have in place a strategy for regular and effective communication with these stakeholders about the charity's purposes, values, work and achievements. Examples of this includes marketing strategies and a family engagement programme.

The Trustees communicate how the charity is governed, who they are, and decisions being made through the CHSW website and the Trustee Annual Report. The Trustees ensures that stakeholders have an opportunity to hold the board to account through agreed processes and routes such as Friend's Group Conferences, Volunteer Appreciations days, Parent Forums, Parent Feedback Questionnaires, Staff Council and regular Staff Surveys.

The Trustees make sure there is suitable consultation with stakeholders about significant changes to the charity's services or policies.

Memberships

To assist in its decision making and to ensure current and best practice is always followed, the charity is an active participant in the membership of several 'not for profit' organisations. These include the following:

- Hospice UK
- Together for Short Lives
- Fundraising Regulator
- Charity Retail Association
- Hospice Lottery Association
- Gambling Commission
- The Lotteries Council.

Related parties

CHSW has a trading subsidiary C H S W Promotions Limited which is responsible for the sale of all new goods, including Christmas cards. The relationship between the 2 organisations is set out in a memorandum of understanding.

Charity governance code

CHSW is a not-for-profit organisation which aims to follow charity sector best practice. The Charity Governance Code for larger charities was adopted into our new Governance Framework, which was completed in March 2021. The code sets out the principles and recommend practice for good governance and is a tool for continuous improvement towards the highest standards.

A working party made up of Trustees from the Risk and Governance sub-committee undertook the Charity Governance Code Self-Assessment in August 2019 and reported back to the full subcommittee in October 2019 with their recommendations for areas for increased focus and improvement. This work was reinforced at the Board Development Day held in January 2020.

Our governance and risk frameworks were reviewed and updated last year. Our focus for this year will include Trustee recruitment and continuing with our stakeholder voice reviews to support the strategic development of our care services.

Energy and carbon reporting

In November 2019, CHSW engaged an independent firm of consultants to demonstrate compliance under the Energy Savings and Opportunities Scheme. This piece of work involved assessing the organisations current energy usage including business, transport, and process, and suggesting energy efficient opportunities. This requires compliance every 4 years and is due again in 2023.

In the year ended 31 March 2022 the organisation's annual energy usage as 1,436,224 kWh (2021:978,022 kWh) which equates to 406,552 CO2e (2021:276,849 CO2e). When assessed against the organisations charitable spend of £8,863,482 this gives an intensity ratio of 1 CO2e:£22 charitable spend.

The report suggested the top 5 energy efficient opportunities which are currently being considered by the SMT and the Trustees:

1. Rationalise Heating, Ventilation, and Air Conditioning (HVAC) setpoints - heating and cooling
2. Upgrade lighting to LEDs
3. Rationalise HVAC timings - match with occupancy
4. Behaviour change
5. Upgrade heating systems.

Progress has been limited by COVID-19 and the different ways we have been using our hospices however the LED lighting programme has continued, and we are currently piloting the use of hybrid cars for our Area Retail Managers and considering electric car charging points in hospice car parks.

Reference and administration

Company number	02620879
Charity number	1003314
Trustees	Stephen Hindley CBE, DL David Turner Karen Rogers Nicola Mason Patricia Morris Alan Broughton Roger Knight Elizabeth Childs Kate Martin
Secretary	Jonathan Webber
Registered office	Little Bridge House, Redlands Road, Fremington, Barnstaple, Devon EX31 2PZ
Senior Management Team (SMT)	Chief Executive (CEO): Eddie Farwell MBE, Hon LLD Director of Care: Allison Ryder Director of Finance and Retail: Jonathan Webber Director of HR: Daphne Sands Director of Fundraising: Paul Courtney Director of Marketing and Communications: Jessica Patel
Advisors	Principal Bankers: Barclays Bank Plc 3rd Floor, 3 Bedford Street, Exeter EX1 1LX Principal Solicitors: Burges Salmon LLP 1 Glass Wharf, Bristol BS2 0ZX Investment Managers: Aberdeen Standard Capital Limited 1 George Street, Edinburgh EH2 2LL Investment Managers: Sarasin & Partners LLP Juxon House, 100 St Paul's Churchyard, London EC4M 8BU Independent Auditor: Crowe UK LLP Statutory Auditor 4th Floor, St James House, St James Square, Cheltenham GL50 3PR

Fundraising standards

Committed to the highest standards

Children's Hospice South West is committed to ensuring all our fundraising activities are safe, respectful, transparent and accountable. We are registered with the Fundraising Regulator and through consistent training and monitoring, benchmark all of our activities against the Code of Fundraising Practise. Many of our Fundraising Team are individual members of the Chartered Institute of Fundraising, enabling them to keep up to date with best practise and developing industry guidelines.

These high standards of fundraising that we expect of our teams also extend to those acting on behalf of CHSW. Volunteers receive extensive training to ensure they are up to date with regulatory changes and any agencies or commercial participators that represent the CHSW brand must demonstrate their commitment to standards before work commences.

In the year to March 2022, CHSW was also supported by Engage & Connect to undertake door-to-door and private site fundraising for our Raise a smile Lottery. Engage & Connect canvassers have received regular training from the charity and agency throughout the year. We also undertake regular reviews of activity, monitor feedback from quality assurance questionnaires and have begun a programme of mystery shopping to ensure the highest standards of CHSW are reflected by those employed by this Professional Fundraising Organisation.

During the year, there were several Customer Relationship Management (CRM) agreements with companies partnering with us to raise funds. These agreements were reviewed regularly to ensure companies carrying the CHSW logo acted in-line with the standards expected at all times.

While we are committed to these very high standards, there are times when we do receive concerns or complaints. In the last year, 1 person (2021:2) contacted us to raise a concern about our fundraising and marketing activities and we received 2 complaints (2021:6). These were reviewed and resolved in line with the charity's complaints policies and no further escalation or involvement of external regulators was required.

In addition to ongoing training and updates on COVID-19 safe fundraising practises throughout the last year, CHSW has continued to deliver training to ensure that everyone respects the privacy of supporters (especially those who may be classified as vulnerable). Everyone at CHSW is committed to behaviour and communications that ensure no potential or existing supporter feels under any undue pressure to support our work.

Registered with FUNDRAISING REGULATOR

GAMBLING COMMISSION

THE LOTTERIES COUNCIL

children's hospice
SOUTH WEST

www.chsw.org.uk
enquiries@chsw.org.uk

Little Bridge House

Redlands Road, Fremington, Barnstaple, Devon EX31 2PZ
01271 325 270

Charlton Farm

Charlton Drive, Wraxall, North Somerset BS48 1PE
01275 866 600

Little Harbour

Porthpean Road, Porthpean, St Austell, Cornwall PL26 6AZ
01726 871 800

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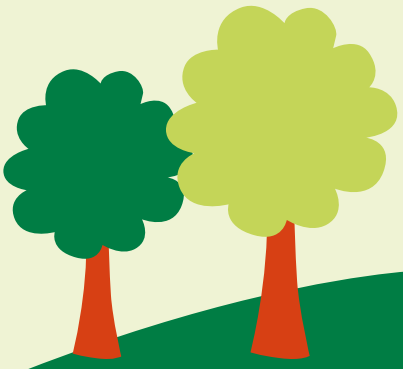

CHILDREN'S HOSPICE SOUTH WEST

England & Wales - Charity number 1003314

Accounts

children's hospice SOUTH WEST

Annual Report and Financial Statements

For the year ended 31 March 2021

Making the most of short and precious lives across the South West

www.chsw.org.uk

Registered Charity No. 1003314 Company No. 02620879 (England and Wales)

A year like no other, that is how 2020/21 can be described and the seismic shock caused by the COVID-19 pandemic is all pervasive throughout this, our Annual Report and Accounts.

We have a Strategic Plan to grow our services, but the events of March 2020 meant that whilst our overarching objectives still held good, business planning required a COVID-19 response. Our Response Plan was set to last for two years accompanied by an optimism that recovery would return in 2022-23.

This report gives an account of how COVID-19 has affected the charity - from disruption to the Strategic Plan and a dramatic fall in community, event and retail income, together with the need for our care services to work differently in order to maximise our support to families faced with their support systems being interrupted and the consequential negative effect on their well-being.

It is hoped that the reader of this document will be uplifted and encouraged by the way the charity has modified its service offer to meet the needs of our families. Our service offer has been adapted to be available not only in the **Hospice** but for the first time in the **Home** and **Virtually**. Readers who wish to find out more about how we have adapted in the Pandemic are encouraged to read our 'Quality Account' which can be found on our website. In the family stories contained in this report it will be seen just how much the work of the charity has been appreciated and together with its flexibility in the face of adversity universally welcomed. We think you will find these humbling and inspirational.

In this, our 30th Anniversary Year, we're especially proud of the service we have been able to provide, proud also of the thousands of supporters who as ever have been inspired to help the cause. We are grateful for the financial support we have received from Government, which together with an unprecedented level of legacy income, has meant that the charity has been able to weather a very difficult storm and so remain sustainable. Whilst the outcome for the coming period remains uncertain, we are confident that because of the incredible support that we receive that our service will continue to be sustainable and will become ever more valuable to the families we seek to serve. We commend this Annual Report and Accounts to you.

Patricia Morris
Chair of Trustees

Eddie Farwell MBE
Co-Founder and
Chief Executive

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Trustees' report (including the Strategic report) for the year ended 31 March 2021

Our objectives and activities

Our purpose, vision and ethos

Our purpose
is to make the most of short and precious lives and to put children and families at the centre of all we do.

Our vision
is to provide high quality care services to every child in the South West who may not live to their 18th birthday.

Our ethos
is to ensure that everyone (Trustees, staff and volunteers) place children and families at the centre of the organisation.

In order to achieve this, everyone will be expected to promote a strong, caring, community environment, characterised by a culture of sensitivity, trust, consideration and respect for others.

Organisational principles

Our ethos gives rise to a set of principles which determine how Children's Hospice South West (CHSW) as an organisation operates on a day to day basis.

We will:

- be an organisation which places children and their families at the heart of all that we do
- continually engage with and listen to our children and families, employees, volunteers and supporters
- ensure that diversity, integrity, quality and respect are an integral part of all that we do
- ensure that all staff, volunteers and supporters are valued and appreciated
- ensure that everyone has the tools to do their job and are provided with appropriate opportunities to develop and gain new skills
- be ethical, open, honest and compliant in all that we do
- be one organisation with common goals while tailoring services to individual families, and according to individual need
- work collaboratively with our colleagues and external partners
- spend the money we raise wisely with our focus being on the care we provide
- be safe, efficient and environmentally aware

> "I couldn't think of a better team of people. You took care of our precious boy when we couldn't."

CHSW core values and behaviours

Everyone working for, or on behalf of CHSW will act to or with:

Care and respect for each other

- Recognising and accepting our responsibility for safeguarding children and adults, protecting them from harm.
- Acting fairly and with consideration, treating others as we would wish to be treated ourselves.
- Finding out what other colleagues do, encouraging them and recognising the value that each brings to the organisation.
- Embracing and recognising the importance of difference and diversity.

Honesty, openness and accountability

- Behaving with openness, integrity and honesty.
- Communicating swiftly and openly and listening to the views of others respectfully.
- Taking responsibility for your own actions and being accountable for them.
- Sorting out mistakes and concerns swiftly and without fuss.

Strive for excellence

- Seeking to continuously develop and improve for your own benefit and for the charity.
- Always protecting the reputation of the charity.
- Celebrating success.

Work together

- Ensuring dynamic and harmonious team working in order to achieve success.
- Working with and involving our families, supporters and volunteers, understanding who they are and what their needs might be.
- Making the best use of organisational resources having regard to sustainability, efficiency and respect for the environment.

> "Just wanted to share this magical moment! P has been super grumpy for many days with no smiles... before you came to visit. Within an hour of you arriving... you were rewarded with gorgeous smiles... P loves having the Little Harbour gang out to see him."

Sensory storytime on Zoom, *Going on a Bear Hunt* at Charlton Farm.

Our strategy

Following a review in January 2020, our strategic aims extending to 2024 were reviewed and agreed as follows:

Care

We remain committed to providing high quality, safe services to children who may not live to their 18th birthday. This includes respite care for the whole family and being responsive when families need us most including at end of life and support during bereavement. Our focus is to develop our care services sustainably, ensuring we utilise our three hospice bases and be there when families need us most.

Strategic priorities to deliver this aim by 2024

- To have a care model that ensures we have capacity to offer respite care to children and families.
- To develop and grow our clinical expertise and resilience to respond when families need us most.
- To offer families choices with flexibility about how they access our services and where they wish to be at end of life.
- To build on the support services on offer including psychological support and sibling services.

Funding

To afford our care objectives by delivering a step change in income generation to deliver additional annual income in excess of £2m (minimum) by 2024.

Strategic priorities to deliver this aim by 2024

- Diversifying and developing voluntary income streams.
- Growing and strengthening retail (including Gift Aid).
- Growing net income from CHSW Lottery.
- Securing long term legacy pipelines.
- Securing continuing statutory funding (and increasing where possible).

> "No amount of thanks can ever convey how much it meant to us to know (granddaughter) was so well cared for in her last few days in this world, and that our daughter was so well supported and also that we were given the opportunity to say goodbye to our most precious and beautiful granddaughter."

Marketing

To re-energise our brand awareness and re-establish our positioning, ensuring we remain a leading brand name in the South West and the charity of choice for charitable giving.

Strategic priorities to deliver this aim by 2024

- Research and benchmark brand/ hospice awareness, including review of logo recognition and evolution of brand identity.
- Introduction of a campaign approach to drive brand awareness and donor acquisition.
- Defining and segmenting target audiences with clear messaging to ensure donor retention and donation growth.

Progress against our strategic aims will be monitored, reviewed, and evaluated by the Senior Management Team (SMT) on a regular basis and by the assurance committees through Key Performance Indicators (KPIs) and board reports at each meeting (currently three times per year).

These strategic objectives are due to be reviewed in October 2021 and will be considered in line with the ongoing challenges of the pandemic.

Public benefit

The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives. The benefits are clearly set out in the achievement section on pages 6-13. The Trustees review the activities of the charity against its aims and objectives on an ongoing basis and are satisfied that all activities continue to be related to its purpose. The beneficiaries are children and young people with life-limited and life-threatening conditions and their families. A referral process is in place, with clear guidance on criteria, to ensure that those who meet the criteria are offered support by the charity.

Our achievements in 2020 to 2021

Objective	What we achieved
To develop and update the CHSW care vision with a short/medium term goal focusing on our new service offer of; hospice, home and virtual.	Responding to COVID-19 we have embedded the model of hospice, home and virtual provision. Routine respite has been paused and replaced with resilience support which has enabled us to support families, wherever they are when they need it most. We have continued to provide 24/7 emergency care and support and enabling children to stay at home longer at end of life. For the first time ever we delivered care in the community and working collaboratively with the NHS we supported critical services during COVID-19.
To develop and implement our Workplace Health, Safety and Wellbeing Strategy in response to the immediate COVID-19 pandemic with forward vision to adapt to the changing workplace environment.	Our primary focus this year has been around Health and Safety and good, two-way communication, which has been vital to keeping our staff feeling safe; engaged with the charity; updated as part of the change processes; and feeling part of the team. The frequency of 121's and team meetings have been increased supported by regular Zoom 'site meetings'. Individual formal pastoral review meetings have been introduced and all staff have been provided with access to counselling and other well-being support via Health Assured which was set up in April 2020. A Flexible Working Project ran throughout September 2020 to support work/life balance.
To establish a new Fundraising Strategy with a focus on Individual Giving and a revised approach to events.	Our plan for developing fundraising during 2020/21 clearly had to adapt and change in response the COVID-19 pandemic. Despite the significant changes to our plans for the year, we were delighted to see a significant increase in Individual Giving, while also pivoting much of our event fundraising activity to a virtual context with great success.
To develop new Retail and Lottery Strategies in response to high street challenges and the need to grow lottery memberships with limited face to face contact.	Despite restrictions we were pleased that two new shops were opened in the year in Sidmouth and Exmouth. As a result of the changes in the high street brought about by the pandemic, we have started a review of our existing shops sites to secure more enhanced premises together with reduced rental charges where possible. In addition, during 2020 to 2021, a review of the costs of CHSW retail was undertaken to ensure that the charity maximises its return from its shop network. During 2020 to 2021, the use of external lottery canvassing agencies was established to work alongside our own canvassers and widen our reach of new players. In addition, new initiatives for playing the lottery online were implemented together with undertaking a review of our long-term lottery software provision.
To develop a new Marketing Strategy to increase donor acquisition and retention, reach new audiences and stand out in a new and potentially crowded marketplace.	Phase 1 of our Brand Awareness project to drive new donor acquisition and reach new audiences has been completed. Phase 1 included brand research, audience identification and proposition testing. Phase 2; campaign development and media planning is in development with a Campaign launch date of October 2021. The work on donor retention will dovetail into the Fundraising Strategy work focusing on Individual Giving which, due to financial implications of COVID-19, has been put on hold during 2020/21.
To develop a Digital Transformation Strategy to continue to enhance our ways of working across the organisation in an ever-changing digital world.	A new Digital Transformation Strategy has been created and a new Digital Transformation Steering group is in development. 2020 accelerated our use of cloud-based technologies which enabled a seamless transition to home-based working for all office staff. This new strategy will build on the learnings of 2020 and drive CHSW towards adopting a digital first culture.

Our strategic plans for 2021 to 2022

Our key objectives for 2021 to 2022 are:

1 to ensure that the positive achievements during COVID-19 are retained (new ways of working) and our services are resumed as soon as this can be supported safely following Government guidelines. Offering a responsive model that offers families choice

2 to continue to develop and implement our Workplace Health, Safety and Wellbeing Strategy in response to the ongoing COVID-19 pandemic with forward vision to adapt to the changing workplace environment

3 to conclude the response phase of our COVID-19 Fundraising Strategy while investing and resourcing a more structured approach to Individual Giving for the future, contributing to our over-arching objective to deliver an additional £2M income per year by 2024

4 to identify new commercial opportunities with our trading activities during the recovery period of the pandemic. Look to restore shop turnover and new sign-ups for the lottery

5 to continue to develop new marketing strategies to increase donor acquisition and retention, reach new audiences and stand out in a new and potentially crowded marketplace

6 to embed the Digital Transformation Strategy into the organisation and drive CHSW towards adopting a digital first culture

Rainbow handprint art session on Zoom, from Charlton Farm.

Key facts and how we have supported our beneficiaries

Our 2020/21 summary data looks different to previous year's and it is not possible to provide comparisons as due to COVID-19 restrictions we have been delivering care in different way, in the family home and virtually as well as in hospice. There is no national minimum data set for children's hospices.

CHSW has sustained a region wide presence, allowing children and families to access our services close to home. This benefits the family particularly at end of life as they are still close enough to receive support from family and friends while we support all those close to the child at such a difficult time.

We are also very proud that we have supported all the families who asked us for help, even if they lived some distance from a hospice. Little Harbour staff travelled from Cornwall to support families in Torbay, often having to stay away from their own families. Little Bridge House and Charlton Farm supported families in Somerset.

Care activity

Who are we supporting?

What type of activity have we seen?

4,263 **total bed nights** in 2020/21, as expected 7,829 lower than the previous year.

1,374 **family member** night stays in hospice in 2020/21, a decrease of 6,577 from the previous year.

1,092 **children** bed nights in 2020/21, a decrease of 2,856 from the previous year.

1,693 **day visits** in 2020/21, in hospice and at home, an increase of 1,582 from the previous year.

104 **Starborn*** nights in 2020/21, an increase of 22 from the previous year.

906 **parent/carer** nights stayed in 2020/21, a decrease of 3,907 from the previous year.

468 **sibling** night stays in 2020/21, a decrease of 2,670 nights from 2019/20.

207 **respite** bed nights in 2020/21, a decrease of 3,377 from the previous year.

885 **emergency** bed nights in 2020/21, an increase of 521 from the previous year.

*'Starborn' is the name given to the cold room in CHSW hospices that the children stay in after death.

These numbers, unsurprisingly, show significant variance from pre-COVID-19 activity figures. What is seen, is a reduction in children and family stays in the hospices and a significant increase in day visits and emergency stays. Showing our new model during COVID-19 enabled us to be very responsive when children and families needed us most.

Parent/carer night stays saw a decline, demonstrating the effectiveness of our 'family bubble model'. When visiting health care providers was restricted, we enabled families to stay together safely.

How we have adapted our care

Hospice, home and virtual

This year has been one of adaptation and transformation as we needed to rapidly, and repeatedly change our care services to be able to respond and meet the complex, changing and multi-factorial needs of our children and families, while keeping everyone, including our care teams, safe.

As the pandemic developed, we recognised that as an organisation we would need to be dynamic and work in new and different ways to support our families, the wider healthcare effort in the respective communities and keep our staff safe. This included caring for our children not only in the hospice but also in their own homes and virtually. We have termed this service - **Hybrid Model of Care - in hospice, at home and virtually.**

From the outset of the pandemic, we continued to provide a 24/7 in hospice service for:

- children at the end of their life
- children requiring symptom management

Additionally, we also started providing:

- step down care from acute services in hospital so that children did not need to stay in hospital any longer than necessary and care for children who would have ordinarily needed a hospital stay
- emergency care based on maintaining safety and keeping children at home
- regular virtual contact with children and families

Reached out to provide wrap around care

Most of our families were shielding from the outset, so we reached out to all the families to ask what we could do to help; we made contact by phone, through virtual means and carried out doorstep visits. For most, in the early days, we needed to provide wrap around care.

Delivering donated food hampers through door step visits provided us with the opportunity to have contact with families and these proved to be of enormous value. They were an opportunity for us to engage with them which provided a greater understanding of the family's needs and subsequently identifying how best to support them. We provided practical support with shopping by contacting local supermarkets to ensure the families were included on the 'vulnerable' list and even supplied key items for example, nappies from CHSW stores that families were struggling to source. While not normally within our remit, this support made a huge difference to our families, particularly at the beginning of the pandemic. Helping families solve these practical challenges, provided them with the space and energy to care for their child.

Keeping the family together and making memories

At CHSW we have always cared for the whole family, not just the referred child, and we wanted to be able to continue with that model. Therefore, we completely re-designed how we use our hospice space to create zones and family bubbles. By dividing the hospices into separate zones it meant that we could safely look after the child and immediate family members together, and we considered this was essential, for all types of visits to the hospice but particularly for children at end of life. This enabled parents, siblings and important family members to spend time with their child in the most precious moments. Throughout the pandemic we have continued to provide care for children and young people at their end of life. We have provided end of life care at all three hospices during this pandemic and have found safe ways to keep families together at this time while supporting the children and their families as they have wished.

Trustees' report

How we have adapted our care (continued)

Caring for children and families in their own homes

We have also supported children, young people and families in their own homes in several ways and taken the best of what we do, to wherever they are. Our Care Teams have provided the full spectrum of care at home. This ranges from a visit for a couple of hours to a full shift overnight so that the parents/carers could have an undisturbed night's sleep. Through our new ways of working, we have been able to support children who were symptomatic and at end of life to stay at home for longer. We were able to assess children at home and start treatment quickly and without delay keeping them comfortable, previously there would have been a delay while they were transferred to a hospice.

COVID-19 Care

We have supported children and families who were suffering from COVID-19. This included being able to care for them in the hospice, providing a safe haven for the child while their main carers recovered. Providing care for children with COVID-19 both in the hospice and in the community, supporting when other providers were not able to enter a COVID-19 home.

"I just wanted to say a huge thank you for our letter in order that it might help us with our shopping orders. We have now been given a priority slot at Tesco."

"Just wanted to say a huge thank you for getting a food parcel to us, certainly put a smile on my face and the kids. It brightened up what was a miserable day, we absolutely loved it. So thank you so very much."

"Thank you so much for my parcel on the doorstep, it was like a big hug and so welcome after ongoing trips to hospital."

"Thank you so much for your kind and thoughtful gift hamper that was delivered by two ladies today. It has definitely brightened us all up to see smiling faces and such lovely things for us to eat and the children to play with."

Resilience stays/visits

In response to our family survey in July and in addition to the services we were already providing, we started offering children and families needing a short term 'resilience stay' or 'resilience visit'. These are for families who needed our help due to a variety of reasons including:

- parent/carer illness (due to both COVID-19 or non-COVID-19 reasons)
- parent/carer fatigue
- problem in the home, for example a broken lift, essential building works
- parent/carer bereavement
- new referrals following diagnosis

Most of these resilience stays have taken place in the hospices, but for some we have supported the family in their own home if that was what was needed.

Sibling support

We have continued to enrich the lives of the siblings and families who use the service by being incredibly creative and innovative in providing an increased variety of activities to accommodate new ways of working. We developed 'First Aid Kits' to help support resilience in lockdown and resources were provided to support parents, for example, in managing challenging behaviour. We sent out activity packs which also included activities for those with sensory needs. We organised quizzes, bingo sessions and 'Crafty Zooms' which have all been well attended. Story times have taken place with members of the Care Team recording books for bedtime. We provided groups for siblings over Zoom in addition to individual sessions for those who have been struggling.

Bereavement support

Along with group activities we have been keeping in touch with bereaved families on a regular basis and offering one-to-one support. Support has been provided on the telephone, through Zoom and through garden visits. We continued to provide Remembering Events at all three hospices over the year, albeit virtually. We were able to provide families with the opportunity of a time to reflect and remember their child who has died alongside meeting with other bereaved families.

Keeping everyone safe

The safety of CHSW staff, children and families has been paramount throughout the pandemic and our new ways of working. We have followed Public Health England (PHE) Infection, Prevention and Control (IPwC) guidance throughout and ensured our policies and practices were compliant with national guidance and legislation.

We experienced many challenges in the sourcing and procurement of Personal Protective Equipment (PPE), particularly in the first few months but throughout the pandemic we have been able to meet the needs of all the children and every request for care and help with the appropriate level of PPE.

Since May, when CHSW volunteered to be part of the Hospice UK/ DHSC partnership to provide PPE to hospices, CHSW has coordinated the supply and distribution of PPE to eight hospices across the South West from Gloucester to Cornwall. This has required the dedication and commitment of our Care Teams and our volunteers every week. This effort has ensured that not only CHSW has a sustainable supply of the correct PPE, but also our neighbouring hospices across the South West.

"Thank you so much for inviting us to use your garden space. We had such a lovely time. It was such a relief to see Rosie and Mikey, relaxed and enjoying themselves outside as they have been struggling with anxiety and refusing to go outside after months of self-isolating."

Nicky pictured left with family

Hear how families have been supported this year

Amber's story

Amber usually visits Little Bridge House but because of the pandemic, she has spent many months at home shielding.

The family's usual care packages and appointments were cancelled due to COVID-19, so home visits by the Care Team have provided some of their only support during such a challenging time. Amber's condition is undiagnosed, but she has complex epilepsy and other medical issues. Mum, Leala, said the team at Little Bridge House had been a big help. Leala, who has had to go to work while Amber and her dad, Chris have shielded at home, said:

"Lockdown has been incredibly hard on everyone but extra challenging with Amber's medical issues and no care coming into help. We were one of the first families to have a house visit. Amber was getting bored with Mummy and Daddy so having a visit has made her day. Chris has experienced some anxiety during lockdown and was worried about how long this will go on for, so the team at Little Bridge has been a big help to us all."

> "These difficult times can be very isolating for our families as they are spending a lot of time at home and not able to see many people."

Care Team member Jo said:
"It was always lovely to see the family, especially to get one of Amber's lovely smiles. These difficult times can be very isolating for our families as they are spending a lot of time at home and not able to see many people. Amber and her family value our visits and Amber is not bothered by us wearing PPE; in fact, she seems to find it amusing! We chat and play, bring activities with us from Little Bridge House and it helps break up their day - another face, a different voice, and a cheerful smile (under the mask!)."

Freddie's story

Freddie has a range of complex health needs and was offered a place at Little Harbour children's hospice.

"Freddie's face always lights up when we arrive at the hospice, and it is always such a welcomed break for us as a family. 2020 was a particularly bad year for Freddie; as soon as COVID-19 arrived, we instantly took Freddie out of school and began to isolate as we were worried for his health if he caught the virus. We managed to isolate for a week before Freddie became unwell and needed admitting to hospital.

After having treatment, we were finally able to discharge Freddie in September. His care needs had greatly increased and instead of going home, we were discharged to Little Harbour for a few days. Despite the ongoing pandemic and the hospice having to restrict stays for families, we were wrapped in a great, big hospice hug and were able to relax, recharge and recover from the past few months. It was a much-needed step down from a traumatic 12 week stay on a high dependency ward in hospital.

> "It was reassuring to have the hospice staff around us before we took over Freddie's care fully at home."

Freddie's care needs had grown so much, it was quite overwhelming the amount of care he now needed. Freddie managed a few weeks at home before his health took a bad turn again. The whole time he was unwell, Little Harbour were in constant contact. We had weekly phone calls and they even visited us in the hospital to sit and play with Freddie.

Freddie's two siblings were never forgotten about and the hospice Sibling Team offered them such great care and support."

Freddie and his family continue to use CHSW's services and Freddie is an avid fundraiser himself!

Azaan's story

At three weeks old, Azaan was diagnosed with Joubert's syndrome.

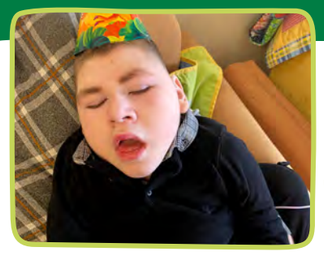
"Azaan has had nearly 30 hospital admissions, several operations, deterioration in kidney function and has a short life expectancy.

It wasn't until our first visit in to Charlton Farm in March 2020 that I realised the hospice was very different to what I imagined. I thought it would be similar to being in a hospital, but it wasn't, it was like a cosy home. Charlton Farm is a beautiful place full of love and warmth. Visiting was like stepping into another world; it's set in blissful surroundings, the views were breath-taking, and it was so peaceful.

We visited again in lockdown in March 2021 for a resilience stay after Azaan had a tonsillectomy and it was a much-needed break for me. I was able to spend time with Raihan and have time to myself knowing Azaan was in safe hands. Lockdown has changed Azaan a lot as a person. He never used to mind noise and lots of people around him.

> "I thought (the hospice) would be similar to being in a hospital, but it wasn't, it was like a cosy home."

He used to like the hustle and bustle and want to join in but now if he hears too much noise, he doesn't like it. With no vision and limited understanding, Azaan has meltdowns triggered by noise and unfamiliar voices. During lockdown, I've had regular phones calls and home visits by the Care Team, which meant I could go for a walk with Raihan and get some fresh air. I felt very confident leaving Azaan with the nurses; they quickly figured out how to make him comfortable and happy in their presence."



Ollie's story

Ollie has severe cerebral palsy, seizures, requires respiratory support and his care needs are complex.

Ollie is nine and has been coming to Charlton Farm since early 2012. He had a difficult year last year with many long hospital admissions and some long stays on intensive care.

Since September 2020, Ollie had only been home for 17 days, the rest spent on PICU at the children's hospital. The decision was made for a new phase of care, focusing on Ollie's comfort, delivered in the community or at Charlton Farm, avoiding hospital admissions if possible. The Care Team at Charlton Farm have supported this with telephone advice, video-consultation, community visits, planned in house stays (for respite), a birthday weekend and also emergency stays for acute episodes of deterioration.

Ollie has enjoyed music therapy in the hospice and at home. During this home visit, Ollie was relaxed while our music therapist played and sang, allowing the Care Team to have an important conversation with family. His siblings also have valuable access to support from the hospice. We had the pleasure of having Ollie and his family stay at Charlton Farm to celebrate his Birthday. The highlight of which was a visit from a fluffy rabbit arranged by the team that Ollie held and stroked. All of this support is enabling Ollie to live this phase of his life in a way that prioritises his comfort and enables him to be surrounded by the love and attention of all of his family, even when he is really unwell.

> "All of this support is enabling Ollie to live this phase of his life... surrounded by the love and attention of all of his family even when he is really unwell."

Income generation

There for families - thanks to you

This past year has been like no other in our 30-year history - but one thing hasn't changed - the incredible support of the people of the South West (and beyond!) who have stood by children and families when they needed us most.

On behalf of each and every one of our families, we want to say Thank you Together we are continuing to make the most of short and precious lives.

For the majority of the last year our network of charity shops were closed, our programme of in-person fundraising events and community activities were cancelled and our marvellous Friend's Groups were not able to undertake much of their normal fundraising.

Despite these limitations, we have been overwhelmed by the inventive and inspiring ways in which people have chosen to fundraise for CHSW. From donating the cost of a haircut or their weekly commute; taking part in the 2.6 Challenge or taking on a virtual London Marathon - so many people have played their part in helping to continue our care for children and families.

Take a look at some of the highlights of our fundraising activities from the year:

£6.5M
received from those supporters who chose to remember CHSW with a gift in their Will

Over **£1M**
was raised in our 38 shops across the South West from donations and purchases in the few weeks we were able to open.

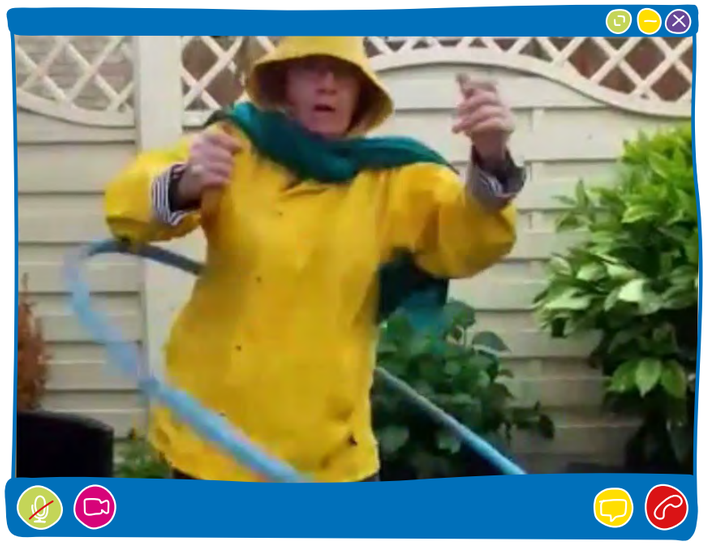
£950k
received from charitable trusts and foundations including special COVID-19 grants.

£690k
from our weekly lottery with over 14,000 players who have helped to Raise a Smile this year for CHSW families and children.

£270k
raised through virtual Rainbow Runs, Santas on the Run Goes Freestyle, Memories by Moonlight and much more. Despite not being able to attend events in person that didn't stop us!

Almost **900** members in our new online community 'Be Incredible for CHSW' Facebook group which was launched in April 2020 as the world moved online. Our activity across social media soared with live Facebook events and wonderful Facebook Fundraising campaigns.

£377k
raised by businesses from right across the region who continued to support the work of their local children's hospice by donating funds, taking part in employee fundraising or partnering with us in the launch of the CHSW 30th Anniversary Business Club.



Supporters and CHSW families taking part in virtual fundraising events.

CHSW volunteer army stood down but still in our hearts

Ordinarily over 900 volunteers would help us to do so much across our hospices, in our shops and supporting our fundraising. So much of this has not been possible in this last year and we have missed every single one of them!

A small number of volunteers have played a vital role in our work as a PPE Hub for South West hospices - helping to ensure the safety of frontline staff across a number of charities including our three hospice bases.

Trustees' report

Financial review

Our financial performance

The consolidated financial statement comprises the result of the charity together with those of C H S W Promotions Limited, a wholly owned subsidiary, which donates it profits to the charity. The consolidated statement of financial activities is set out on page 22.

Donations and legacies amounted to **£12,810,769** (including Hospice UK funds of £2,226k) (2020: £8,035,093), income raised from charitable activities (statutory income sources) amounted to **£2,216,854** (2020: £1,886,934), trading activities (including retail and lottery) generated income of **£1,867,939** (2020: £4,660,895), investment income was **£360,013** (2020: £410,510) and other income **£1,530,359** (2020: £779,629). Total income for the year was **£18,785,933** (2020: £15,773,061).

Total expenditure for the year amounted to **£15,610,688** (2020: £15,083,201). This resulted in an operational surplus of **£3,175,245** (2020: £689,860). Net gains/(losses) on investments were **£1,644,615** (2020: losses £(1,038,118)) and therefore net income/(expenditure) for the year was **£4,819,860** (2020: (£348,258)).

Consolidated in the above figures C H S W Promotions limited, a trading subsidiary, has a turnover which amounted to **£94,203** (2020: £215,125) and a profit after taxation of **£15,525** (2020: £9,934). The company will donate this amount to the charity.

During 2020/21 the financial impact of the COVID 19 pandemic continued for the charity and our community and corporate donation income, together with our shop trading income, was significantly reduced. This was an understandable consequence of the 'social contact' nature of these income streams and that our shops needed to remain closed for over two thirds of the year due to Government restrictions. As compared to the previous financial year, our voluntary donations (excluding legacies and NHSE Covid funding) fell by **£446,554** and our shop trading income fell by **£2,604,683**.

To help mitigate the inevitable fall in these incomes, the charity made use of the Government support for charities and businesses impacted by the pandemic in relation to the Coronavirus Job Retention Scheme (£1,010,628), the Retail, Hospitality and Leisure Grants (£511,914) and the dedicated grant support for UK Hospices (£2,226,126). In total, during 2020/21, the charity was very grateful to receive over **£3.7m** of support from central Government to deal with the impact of the pandemic. The support by the Government undoubtedly helped us to commit to continuing to deliver care services to children and families, during a very difficult year for everyone.

During the year, we were also very grateful to receive an exceptionally high level of legacy donations from our supporters. Legacy receipts are always a significant part of CHSW's annual income but, by their very nature, can be difficult to predict and their level can vary significantly, both up and down, from one year to the next. Our legacy income in 2020/21 amounted to **£6,541,232** which was **£2,996,104** higher than the previous financial year and over £3m higher than that budgeted for the 2020/21 financial year. This is the largest ever amount received and therefore it will not be possible to rely on this level of legacy income going forward into future years due to the unprecedented levels received in year.

Following the required temporary closure of our 38 shops during 2020/21, we are aware that the retail landscape remains fragile and is likely to give rise to opportunities following the end of the pandemic. CHSW remains committed to its retail operations and has identified potential opportunities to relocate premises to further enhance its retail portfolio. To cover the costs associated with potential shop relocations or closures, during the year, a provision of **£1,330,000** has been created to cover future dilapidations payments.

To reduce and align costs of the charity during the restrictions caused by the pandemic, the organisation undertook a strategic review of its operations and services during 2020/21 and implemented several restructuring plans and temporary care service adaptations. As a result cost savings were achieved across the organisation with our total expenditure falling by 5.3% as compared to 2019/20 (excluding the exceptional one-off cost of the dilapidation provision). We anticipate lower operational expenditure will continue into 2021/22 as the operational challenges of the pandemic continue.

It should be noted that the increase in income and net income (after expenditure) reported in 2020/21 has been largely driven by the unprecedented level of legacy receipts and exceptional investment gains during the year. At the end of March 2020, when the global impact of the pandemic was still emerging, investment values were at an extreme low point and during the year we have benefited from the investments held by CHSW making a recovery by **£1,644,615** during 2020/21.

We recognise the positive level of net income that has been generated during the year and are very grateful to all our supporters and donors who have helped us achieve this. We are very mindful that the financial challenges of the pandemic have been seen to continue into 2021/22 and that Government support to deal with the crisis is now very limited. It is therefore the intention for the net income surplus generated in 2020/21 to be used to further support the Charity during the ongoing challenges of the pandemic into 2021/22 and ensure the continuance of its care delivery into the future.

Where we received our income

NHSE Covid funding
£2,226,126 - 12%

Community and corporate
£3,093,408 - 16%

Trusts
£950,003 - 5%

Legacies
£6,541,232 - 35%

Trading
£1,867,939 - 10%

Statutory
£2,216,854 - 12%

Investment income
£360,013 - 2%

Other
£1,530,359 - 8%

Total - £18,785,933

Where we spent our income

Little Bridge House
£2,756,375 - 18%

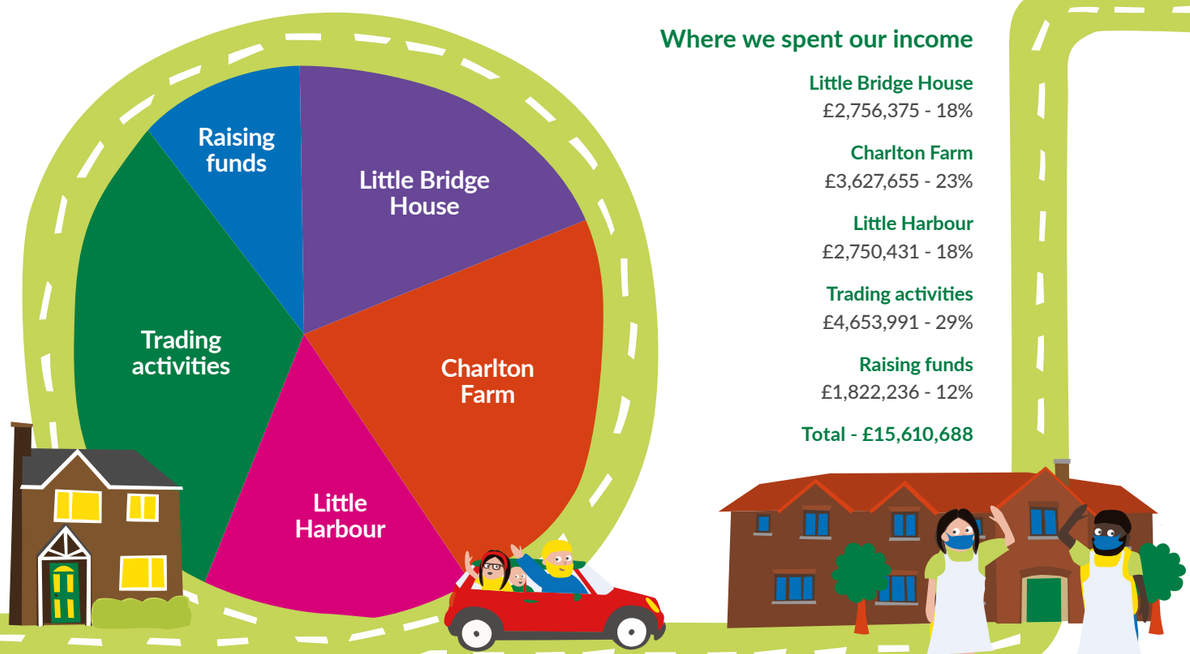
Charlton Farm
£3,627,655 - 23%

Little Harbour
£2,750,431 - 18%

Trading activities
£4,653,991 - 29%

Raising funds
£1,822,236 - 12%

Total - £15,610,688



Our financial reserves

We recognise our commitment and moral obligation to the children and families who currently use our services will extend many years into the future. It is imperative, therefore, for us to maintain unrestricted general reserves at a level that will ensure the continuity of the unique service provided by the charity, while recognising that the charity is facing a period of significant economic uncertainty because of the ongoing pandemic.

In establishing the CHSW reserves policy, we have taken guidance from the Charity Commission's guidance CC19, by using an integrated approach for an organisation with complex activities and structures. This involves projecting cash flows over the next five years and identifying key risks associated in this period, with both income and expenditure, while also considering already committed expenditure. From this work, it has been determined that CHSW should maintain a target range of reserves of between **£11,670,998** and **£13,411,160**.

The charities unrestricted general funds (free reserves) were at a level of **£14,647,748** (note 20) as of 31 March 2021 (£13,877,190 as of 31 March 2020). We note that the groups unrestricted general funds are above their upper target range of reserves by **£1,236,588**. It is our intention that, in the short to medium term, the charity utilise these surplus funds to help deal with the impact on the charity of the COVID-19 pandemic and the possibility and disruption from further outbreaks. This will include investment in maintaining and developing our care services, so they can operate in a pandemic restricted environment.

Designated funds are **£27,140,885** (2020: £21,177,040) and represent the net book value of the unrestricted tangible and intangible fixed assets of the group in addition to £6,925,613 designated for the creation of an expendable CHSW Care Endowment Fund in 2021/22, subject to the appropriate legal advice.

It is the intention for the CHSW Care Endowment Fund to provide an additional income stream from long term investments to support the Charity into perpetuity and reduce future dependence on fundraising and trading activity. The need for this fund has been highlighted during the COVID-19 crisis where voluntary and trading incomes have been found to be vulnerable. We cannot rely upon the continuation of exceptional legacy income and government support. As it is the intention for the CHSW Care Endowment Fund to be expendable it will also be possible to release money from the fund to finance care operational and developmental opportunities as they arise going forward. The CHSW Care Endowment Fund was established on 15 July 2021.

Our investment approach

The charity investment policy requires the charity to invest funds in such a manner that the risk profile reflects planned expenditure and future plans.

In 2019 we secured the services of an external independent investment advisor to undertake an investment risk profile review and to provide ongoing expert assessment on the performance of our appointed investment managers. At the beginning of the 2020/21 financial year, as part of good governance, a formal retendering process in relation to investment manager services was undertaken which included a review of investment performance and charges. As a result of this work, Aberdeen Standard Capital Limited and Cazenove Capital Management Limited were appointed as CHSW investment managers going forward. As part of this restructuring of investment managers, CHSW investments were rebalanced and divided into a lower and higher equity exposure fund allocation. The minimum performance requirements of these invested funds has been set as Consumer Price Index (CPI) +3% for the lower equity exposed fund and CPI +4% for the higher equity exposed fund. During 2020/21, these performance objectives were met.

"Thank you so much for everything you've done for us when we stayed with our beautiful daughter, you gave us the chance to be together... I'm so glad we were at Charlton Farm. I would not have changed it for the world. It was so special because of everyone working there. We will never be able to thank you enough for making our daughter's last few days so special."

"Thank you for everything you all do, for helping families make memories, for wiping tears and holding people together through the most toughest of moments."

How we manage risks and uncertainties

CHSW has a clear Risk Management Framework in place which is overseen by the Trustee Governance Assurance Committee as delegated by the Board of Trustees. We undertake a continual assessment of the principal risks facing the charity and are satisfied that adequate preventative and mitigating measures are in place to reduce the risks to an acceptable level. All risks identified are recorded on the CHSW Risk Register and scored based on impact and likelihood in line with the Charity Commission guidance (CC26), based on the scores, the risks are prioritised using a Red, Amber, Green rating.

At the Board meeting held on 11 March 2021, the following process was agreed for reviewing risk:

- the Senior Management Team will meet as the Risk Management Committee every quarter where the risk register is reviewed and updated. Identified risks may be added to the register at any time
- each item on the risk register is owned and overseen by the relevant Assurance Committee as a standing item at each of their meetings (currently three times per year)
- the Governance Assurance Committee will take assurance from the Chairs of each Committee that their relevant risks have been reviewed and mitigated to satisfactory levels
- where assurance cannot be given - further review/oversight or Internal Audit may be recommended or pursued
- the Governance Assurance Committee will report to the Board following their meetings

Current red risks

The Pandemic: The risk to operations remained our key red risk throughout 2020/21 with elements of risk impacting on every aspect of the organisation. The first virtual Board Meeting was held on 12th March 2020, which established the Crisis Assurance Committee of Trustees. This Committee was empowered to make swift decisions while maintaining appropriate Governance and played a significant role particularly in the initial few months of the crisis. The Annual Business Objectives were amended in June 2020 to reflect the going concern and the Investment and Finance Assurance Committee continued to meet monthly throughout the year to maintain clear oversight of the financial position of the charity.

Inability to Recruit and Retain Children's Nurses: As reflected in the national picture, this remains an ongoing and challenging red risk for CHSW. Salary and benefits benchmarking against the NHS is carried out on an annual basis to ensure we are competitive. New and different ways of working in 2020/21 have created development opportunities and new career pathways being explored which has supported and encouraged the recruitment and retention of staff though a very difficult period.

Safeguarding Issue Arising: Safeguarding is a top priority at CHSW with stringent policies, procedures and mandatory training in place for all staff. We continue to be vigilant and diligent; audit our policies and practice carefully; and embed our values and behaviours to reflect our ethos and duty of care.

Failure of Cyber Security: Reflecting the global rise in criminal activity around data security, Cyber Security will always be a red risk for CHSW. In 2020 to 2021 CHSW carried out a full cyber security audit (by an external provider). CHSW have implemented the recommendations of the audit. CHSW have upgraded two main firewall devices at the hosted data centre. We successfully met the standards of the NHS Data Security Toolkit in 2020 and have begun the process of attaining Cyber Essentials certification, which builds on the best practice framework in the NHS Toolkit. Our IT partner (Commercial IT) continue to monitor and update our systems. CHSW IT regularly send simulated phishing emails and training packages to ensure staff remain vigilant and educated on the risks. 95% of CHSW staff have completed the NHS Data Security training course from our NHS eLFH system, which is an annual requirement.

Included on pages 47-52 are the charities structure, governance and management, reference and administrative detail and fundraising disclosures which also form part of this report.

"After a call to the Children Hospice South West helpline, aka the Care Team, we were able to get great support during lockdown from members of the team who know our foster son well."

Statement of Trustees' responsibilities

The Trustees (who are also Directors of CHSW for the purposes of company law) are responsible for preparing the Trustees' Annual Report (including the Strategic Report) and the financial statements, in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable 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 Statement of Recommended Practice (SORP);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions, 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 and the provisions of the charity's constitution. They are also responsible for safeguarding the assets of the charity and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of Information to Auditors

Insofar as each of the Trustees of the charity at the date of approval of this report is aware, there is no relevant audit information (information needed by the charity's auditor in connection with preparing the audit report) of which the charity's auditor is unaware. Each Trustee has taken all of the steps that he/she should have taken as a Trustee in order to make himself/herself aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

Approval

This report, incorporating the strategic report, was approved by the Board of Trustees on 14 October 2021 and signed on its behalf:

Patricia Morris
Chair of Trustees

"To a wonderful team of angels, thank you isn't enough to express my thoughts for the wonderful care that you have given to us over the last six months. The care and dedication you showed us was never ending with love, care and compassion. You made what was a very difficult time more manageable and we all felt supported every step of S's journey."

Financial statements

Consolidated statement of financial activities

(including income and expenditure account) for the year ended 31 March 2021

	Notes	Unrestricted funds (£)	Restricted funds (£)	Endowment funds (£)	Total 2021 funds (£)	Total 2020 funds (£)
Income from:						(note 29)
Donations and legacies	1	9,223,296	3,587,473	–	12,810,769	8,035,093
Charitable activities: Statutory funding	4	1,017,154	1,199,700	–	2,216,854	1,886,934
Trading activities	3	1,867,939	–	–	1,867,939	4,660,895
Investments	2	311,363	48,650	–	360,013	410,510
Other		1,530,358	–	–	1,530,358	779,629
Total income	5	**13,950,110**	**4,835,823**	**–**	**18,785,933**	**15,773,061**
Expenditure on:						
Trading activities	3	4,653,991	–	–	4,653,991	3,646,703
Total income net of trading expenditure		**9,296,119**	**4,835,823**	**–**	**14,131,942**	**12,126,358**
Expenditure on:						
Raising funds		1,750,573	–	–	1,750,573	2,085,057
Investment management fees		71,663	–	–	71,663	45,061
Net income available for charitable activities		**7,473,883**	**4,835,823**	**–**	**12,309,706**	**9,996,240**
Charitable activities:						
Care of children and families	6	4,342,673	4,791,788	–	9,134,461	9,306,380
Total expenditure	6	**10,818,900**	**4,791,788**	**–**	**15,610,688**	**15,083,201**
Net income/(expenditure) before gains/(losses) on investments	10	3,131,210	44,035	–	3,175,245	689,860
Net gains/(losses) on investments	13(b)	1,439,559	–	205,056	1,644,615	(1,038,118)
Net income/(expenditure)		**4,570,769**	**44,035**	**205,056**	**4,819,860**	**(348,258)**
Transfer between funds	17, 18 and 19	148,829	(148,829)	–	–	–
Net movement in funds		**4,719,598**	**(104,794)**	**205,056**	**4,819,860**	**(348,258)**
Reconciliation of funds:						
Total funds brought forward	17, 18 and 19	37,069,035	706,344	1,400,656	39,176,035	39,524,293
Total funds carried forward	17, 18 and 19	**41,788,633**	**601,550**	**1,605,712**	**43,995,895**	**39,176,035**

The accounting policies on pages 40 and the notes to the accounts on page 25 form part of these financial statements.

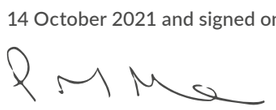
Consolidated and charity balance sheet

as at 31 March 2021 (Company number 02620879)

	Notes	Group 2021 (£)	Group 2020 (£)	Charity 2021 (£)	Charity 2020 (£)
Fixed assets					
Tangible assets	11	20,472,357	21,288,845	20,472,357	21,288,845
Intangible assets	12	122,913	268,115	122,913	268,115
Investments	13(a)	15,046,858	11,376,342	15,046,958	11,376,442
		35,642,128	**32,933,302**	**35,642,228**	**32,933,402**
Current assets					
Stock	14	21,846	31,825	–	–
Debtors	15	4,079,713	3,481,309	4,099,169	3,513,403
Investments	13(c)	452,341	–	452,341	–
Cash at bank and in hand		6,482,467	3,969,285	6,462,678	3,953,612
		11,036,367	**7,482,419**	**11,014,188**	**7,467,015**
Creditors falling due within one year	16 (a)	**(1,097,947)**	**(1,239,686)**	**(1,091,593)**	**(1,234,516)**
Net current assets		**9,938,420**	**6,242,733**	**9,922,595**	**6,232,499**
Provisions	16 (b)	**(1,584,653)**	**–**	**(1,584,653)**	**–**
Total net assets		**43,995,895**	**39,176,035**	**43,980,170**	**39,165,901**
Funds of the group and charity					
Endowment fund	17	1,605,712	1,400,656	1,605,712	1,400,656
Restricted funds	18	601,550	706,344	601,550	706,344
Unrestricted designated funds	19	27,140,885	21,177,040	27,140,885	21,177,040
Unrestricted general fund	19	14,647,748	15,891,995	14,632,023	15,881,861
Total group and charity funds	**20**	**43,995,895**	**39,176,035**	**43,980,170**	**39,165,901**

Of the net movement in funds for the year of **£4,819,860** (2019 to 2020: (£348,258)), an amount of **£4,814,269** (2019 to 2020: (£358,130)) has been dealt with in the Statement of Financial Activities of the parent company.

The financial statements were approved and authorised for issue by the Board of Trustees on 14 October 2021 and signed on its behalf:



Patricia Morris
Chair of Trustees

Consolidated cash flow statement
for the year ended 31 March 2021

	Notes	Total 2021 (£)	Total 2020 (£)
Cash provided by/(used on) operating activities	27(a)	**4,591,334**	**(750,495)**
Cash flows from investing activities			
Deposit interest received		3,458	13,185
Investment income received		225,814	145,344
Rental income received		9,040	3,566
Cash flows from investing activities		**238,312**	**162,095**
Capital expenditure and financial investment			
Purchases of tangible and intangible fixed assets:			
Little Bridge House		–	(10,164)
Charlton Farm		(21,278)	(39,851)
Other assets		(295,186)	(860,757)
Purchases of tangible and intangible fixed assets		**(316,464)**	**(910,772)**
Fixed asset investments:			
Payments		(2,000,000)	(44,942)
Receipts		–	3,055,587
		(2,000,000)	3,010,645
Capital expenditure and financial investment		**(2,316,464)**	**2,099,873**
Net cash (used in)/provided by investing activities		**(2,078,152)**	**2,261,968**
Change in cash and cash equivalents in the reporting period	27(b)	**2,513,182**	**1,511,473**
Cash and cash equivalent at the beginning of the year		3,969,285	2,457,812
Total cash and cash equivalent at the end of the year		**6,482,467**	**3,969,285**

Notes to the financial statements
for the year ended 31 March 2021

1 Donations and legacies

CHSW receives donations from a number of diverse sources as shown below:

	Total 2021 (£)	Total 2020 (£)
Individuals	1,977,519	2,799,369
Friends Group fundraising	57,445	258,244
Legacies	6,541,232	3,545,128
Grants and donations from charitable trusts	950,003	478,693
Government Grant - NHSE Covid funding **	2,226,126	–
Other voluntary income	1,058,444	953,659
	12,810,769	**8,035,093**

**The NHSE awarded funding to allow the hospice to make available bed capacity and community support from April 2020 to July 2020 to provide support to people with complex needs in the context of the COVID-19 situation and to provide bed capacity and community support from November 2020 to March 2021 for the same purpose.

> "Thank you for being there for me and my girls. We really needed a few days with you all, it was comforting to us, as you are all such a big part of our life and have been for many years."

In November the Willingham family featured in BBC Children in Need telling the story of sibling, Betsy.

2 Investment income

	Total 2021 (£)	Total 2020 (£)
Income from listed investments:		
UK	143,312	259,601
Overseas	35,626	40,707
Multi-asset funds	168,577	85,380
Income from cash deposits	3,458	21,256
Rental income	9,040	3,566
	360,013	**410,510**

3 Income and expenditure from trading activities

Total trading income comprises:	Total 2021 (£)	Total 2020 (£)
C H S W Promotions Limited	94,203	215,125
Lottery and raffles	718,277	785,629
Donations relating to the sale of goods where the shops acted as agent	283,344	991,602
Gift Aid received on donations where the shops acted as agent	68,678	245,814
Shops turnover	703,437	2,422,725
Total	**1,867,939**	**4,660,895**

Total trading expenditure comprises:	Total 2021 (£)	Total 2020 (£)
C H S W Promotions Limited	78,679	205,190
Lottery and raffles	183,257	212,594
Shops (all associated costs including depreciation)	3,062,055	3,228,919
Dilapidations provision	1,330,000	–
Total	**4,653,991**	**3,646,703**

The principal activity of the charity's wholly owned subsidiary, C H S W Promotions Limited (company number 02645823) is the sale of bought-in goods, including Christmas cards, through the charity shops of the parent charity and through its network of Friends Groups and by mail order.

The income and expenditure of C H S W Promotions Limited are disclosed as 'trading' income and expenditure in the Consolidated Statement of Financial Activities on page 22.

C H S W Promotions Limited	Total 2021 (£)	Total 2020 (£)
Turnover	94,203	215,125
Total expenditure	(78,678)	(205,191)
Operating profit and profit before tax	15,525	9,934
Taxation	–	–
Profit after taxation	**15,525**	**9,934**
Retained earnings at the beginning of the year	10,134	262
Distribution of retained earnings as gift aid donation to parent	(9,934)	(62)
Retained earnings at the end of the year	**15,725**	**10,134**
Assets	41,742	47,936
Liabilities	(25,917)	(37,702)
Net assets	**15,825**	**10,234**

"To the angels in disguise, masquerading as the staff of Little Bridge House. Thank you for everything you did both for my granddaughter and her family throughout her life. Words cannot express the appreciation for the care you give."

4 Income from charitable activities

	Total 2021 (£)	Total 2020 (£)
Funding from regional CCGs	1,017,154	999,303
NHS England Children's Hospice grant	1,164,351	832,007
NHS England Superannuation grant	33,800	33,800
NHS England Health education placements	1,549	21,824
Total income from charitable activities	**2,216,854**	**1,886,934**

CHSW acknowledges the award of grants for Little Bridge House, Charlton Farm and Little Harbour from the NHS England Children's Hospice grant. The project undertakes to sustain and develop existing high quality hospice care for palliative care children, their siblings and parents. It promotes education and learning needs of all those working in the sector in a responsive and flexible way. The funding and associated expenditure have been treated as movements in restricted funds.

In 2010 the charity succeeded in establishing contractual arrangements with the six Clinical Commissioning Groups (CCGs) whose areas the charity covers. These arrangements were constructed at the behest of government. A price per bed night has been agreed and it has also been agreed the volume of bed nights each CCG will purchase. There are no unfulfilled conditions in respect of these contractual arrangements.

5 Government grants

Included within donations and legacies and other income were government grants recognised in the year ended 31 March 2021:

	Total 2021 (£)	Total 2020 (£)
Coronavirus Job Retention Scheme	1,010,628	27,000
Retail, Hospitality and Leisure Grant Fund	511,914	750,000
NHSE Covid Funding **	2,226,126	–
	3,748,668	**777,000**

**The NHSE awarded funding to allow the hospice to make available bed capacity and community support from April 2020 to July 2020 to provide support to people with complex needs in the context of the COVID-19 situation and to provide bed capacity and community support from November 2020 to March 2021 for the same purpose.

6 Total expenditure

	Staff costs	Direct costs	Support costs	Total 2021 (£)	Total 2020 (£)
	(note 8)		(note 7)		
Costs of raising funds	3,136,597	3,339,630	–	6,476,227	5,776,821
Care of children and families	6,317,514	1,762,865	1,054,082	9,134,461	9,306,380
	9,454,111	**5,102,495**	**1,054,082**	**15,610,688**	**15,083,201**

Governance costs of £32,838 (2020: £35,497) are included within support costs and comprise the costs of running the charity. This includes insurance £1,242 (2020: £1,082), external audit £18,849 (2020: £13,167), consultancy fees and legal advice for the trustees £12,662 (2020: £18,259) and all costs of complying with constitutional and statutory requirements, such as the costs of Board and Committee meetings £85 (2020: £2,989).

7 Support costs

Support costs reallocated to the expenditure category of care are as follows:

	Total 2021 (£)	Total 2020 (£)
Communications and IT	522,539	527,220
Human resources	311,721	637,737
Governance	32,838	35,497
Finance	415,045	388,909
Head office support	451,404	296,304
Retail grant provision	254,653	–
Total support costs	**1,988,200**	**1,615,667**
Less: staff costs	(934,118)	(892,053)
	1,054,082	**723,614**

8 Employee information

Staff costs:	Total 2021 (£)	Total 2020 (£)
Salaries and wages	8,058,110	8,814,983
Social security costs	672,156	723,080
Pension costs	723,845	758,819
	9,454,111	**10,296,882**

The average number of persons employed by the charity during the year was:	FTE	Total 2021	FTE	Total 2020
Hospice services	136	175	145	185
Fundraising and publicity	44	57	50	62
Trading	73	105	73	106
Management and finance	19	22	20	24
	272	**359**	**288**	**377**

8 Employee information (continued)

Four employees earned between £60,000 and £70,000 per annum in the year (2019 to 2020: two). Three employees earned between £70,000 and £80,000 per annum in the year (2019 to 2020: two). Two employees earned between £80,000 and £90,000 per annum in the year (2019 to 2020: two). One employee earned between £100,000 and £110,000 per annum in the year (2019 to 2020: one).

In addition retirement benefits are accruing under a defined benefit scheme for three (2019 to 2020: three) of these higher paid employees. In addition, the charity paid **£51,130** (2019 to 2020: £32,139) into a defined contribution pension scheme for seven (2019 to 2020: four) of these higher paid employees. Salaries and wages include contributions in respect of salary exchange agreements in addition to contractual salary.

Following advice from the Government Actuary's Department as part of the 2016 scheme valuation process, the Department of Health and Social Care (DHSC) confirmed the employer contribution rate for the defined benefit NHS scheme be increased to 20.68% with effect from 1 April 2019. The government has committed to cover this cost increase for a certain category of employer's, including Children's Hospice South West, recurring annually until 31 March 2022.

All trustees and certain senior employees who have authority and responsibility for planning, directing and controlling the activities of the Charity are considered to be key management personnel. Total employment costs (including social security and pension contributions) in respect of senior employees is **£567,678** (2019 to 2020: £554,988). As stated in note 9, there is no cost of employment in respect of the trustees.

During the year, redundancy and settlement payments were made totalling **£17,183** (2019 to 2020: £10,885). At 31 March 2021 the payments outstanding were £5,690 (2019 to 2020: nil).

9 Trustees remuneration and other related party transactions

None of the directors/trustees received emoluments or benefits in kind during the year in respect of their duties as a trustee (2019 to 2020: nil). None of the directors/trustees received reimbursement of expenses in the year (2019 to 2020: Six directors/trustees £2,602) for travel and subsistence.

During the year the charity recharged expenses of **£33,457** (2019 to 2020 £101,667) to C H S W Promotions Limited and remittances were **£46,426** (2019 to 2020: £114,179). The amount due from C H S W Promotions at the year end was **£19,563** (2019 to 2020: £32,532) which is included in debtors. Included within this debtor is management recharges of **£33,457** (2019 to 2020: £101,667).

10 Net income/(expenditure) for the year

The net income/(expenditure) is stated after charging:

	Total 2021 (£)	Total 2020 (£)
Depreciation and amortisation of owned tangible and intangible fixed assets	1,167,498	1,131,716
Loss/(profit) on disposal of fixed assets	110,655	–
Operating lease rentals	784,655	786,604
Auditor's remuneration - audit fees	17,085	15,679
- other fees	9,185	5,803

11 Tangible fixed assets - charity and group

	Freehold land and properties (£)	Leasehold property (£)	Motor vehicles (£)	Office furniture/ equipment (£)	Fittings/ other equipment (£)	Total (£)
Cost:						
At 1 April 2020	21,676,159	646,484	283,475	1,085,001	3,053,557	**26,744,676**
Additions	21,278	43,557	–	109,501	146,338	**320,674**
Disposals	–	(188,774)	–	(85,776)	(14,909)	**(289,459)**
At 31 March 2021	**21,697,437**	**501,267**	**283,475**	**1,108,726**	**3,184,986**	**26,775,891**
Depreciation:						
At 1 April 2020	2,157,753	305,110	236,671	755,804	2,000,493	**5,455,831**
Charged in the year	463,208	81,245	25,408	170,134	286,512	**1,026,507**
Disposals	–	(78,534)	–	(85,361)	(14,909)	**(178,804)**
At 31 March 2021	**2,620,961**	**307,821**	**262,079**	**840,577**	**2,272,096**	**6,303,534**
Net book value:						
At 31 March 2021	**19,076,476**	**193,446**	**21,396**	**268,149**	**912,890**	**20,472,357**
At 31 March 2020	19,518,406	341,374	46,804	329,197	1,053,064	21,288,845

All of the assets above are used on a continuing basis in pursuit of the charity's activities.

11a Freehold land and properties - charity and group

	Little Bridge House (£)	Charlton Farm (£)	Little Harbour (£)	Total (£)
Cost:				
At 1 April 2020	3,480,452	12,480,401	5,715,306	**21,676,159**
Additions	–	21,278	–	**21,278**
At 31 March 2021	**3,480,452**	**12,501,679**	**5,715,306**	**21,697,437**
Depreciation:				
At 1 April 2020	1,032,395	801,954	323,404	**2,157,753**
Charged in the year	101,696	267,085	94,427	**463,208**
At 31 March 2021	**1,134,091**	**1,069,039**	**417,831**	**2,620,961**
Net book value:				
At 31 March 2021	**2,346,361**	**11,432,640**	**5,297,475**	**19,076,476**
At 31 March 2020	2,448,057	11,678,447	5,391,902	19,518,406

Included in the above is land totalling **£2,947,681** which is not depreciated.

12 Intangible fixed assets - charity and group

	Computer Software (£)
Cost:	
At 1 April 2020	757,083
Additions	(4,210)
Disposals	(7,595)
At 31 March 2021	**745,278**
Amortisation:	
At 1 April 2020	488,968
Charged in the year	140,992
Disposals	(7,595)
At 31 March 2021	**622,365**
Net book value:	
At 31 March 2021	**122,913**
At 31 March 2020	268,115

13(a) Investments

Listed investments:	Group 2021 (£)	Group 2020 (£)	Charity 2021 (£)	Charity 2020 (£)
UK equities and bonds at cost	2,174,223	4,184,520	2,174,223	4,184,520
Overseas equities and bonds at cost	2,500,730	2,426,687	2,500,730	2,426,687
Multi-fund assets at cost	8,141,189	2,625,590	8,141,189	2,625,590
Other assets at cost	1,100,176	1,585,058	1,100,176	1,585,058
Cumulative net gains on revaluation at period end	859,219	274,890	859,219	274,890
Market value at period end [Note 13(b)]	**14,775,537**	**11,096,745**	**14,775,537**	**11,096,745**
Cash held as part of investment portfolios	185,321	193,597	185,321	193,597
	14,960,858	**11,290,342**	**14,960,858**	**11,290,342**
Other investments:				
Donated land held for investment purposes	86,000	86,000	86,000	86,000
Investment in C H S W Promotions Limited				
Shares at cost	–	–	100	100
	15,046,858	**11,376,342**	**15,046,958**	**11,376,442**

13(a) Investments (continued)

The charity's investment portfolio was managed by Cazenove Capital Management (until November 2020), Aberdeen Standard (from July 2020) and Sarasin & Partners throughout the period. Investments are held in a diverse portfolio of funds, managed by Sarasin, Cazenove, Aberdeen Standard and other fund managers, and in Government stocks.

C H S W Promotions Limited is a wholly owned subsidiary which is registered in England and Wales and whose principal activity is the sale of bought-in goods for the benefit of Children's Hospice South West. The shares are Ordinary Shares of £1 each and are shown at cost. The company pays its taxable profits to the charity under Gift Aid.

13(b) Listed investments market value - charity and group

Listed investments:	Total 2021 (£)	Total 2020 (£)
Market value at 1 April	11,096,745	11,725,800
Additions at cost	13,247,994	2,108,989
Sales proceeds	(11,209,263)	(1,698,070)
Equalisations	(4,554)	(1,856)
Net gains/(losses)	1,644,615	(1,038,118)
At 31 March	**14,775,537**	**11,096,745**

13(c) Current asset investments - charity and group

	Total 2021 (£)	Total 2020 (£)
Investment in Hope Cove	452,341	–

Hope Cove is a share in a property left to us in a legacy during the year.

14 Stock

Listed investments:	Group 2021 (£)	Group 2020 (£)	Charity 2021 (£)	Charity 2020 (£)
Stock for resale	21,846	31,825	–	–

15 Debtors

	Group 2021 (£)	Group 2020 (£)	Charity 2021 (£)	Charity 2020 (£)
Amounts owed by group undertakings	–	–	19,563	32,532
Legacies receivable	2,810,639	1,388,810	2,810,639	1,388,810
Other debtors including tax recoverable	274,875	1,605,830	274,768	1,605,392
Prepayment and accrued income	994,199	486,669	994,199	486,669
	4,079,713	**3,481,309**	**4,099,169**	**3,513,403**

16(a) Creditors

	Group 2021 (£)	Group 2020 (£)	Charity 2021 (£)	Charity 2020 (£)
Trade creditors	155,779	222,603	155,720	222,603
Taxation and social security	162,501	180,552	162,501	180,552
Sundry creditors	145,069	184,769	145,069	184,769
Accruals and deferred income	634,598	651,762	628,303	646,592
	1,097,947	**1,239,686**	**1,091,593**	**1,234,516**

Deferred income of **£376,554** arose in the year and £387,505 brought forward from 2019 to 2020 was released.

Deferred income includes income relating to registrations and sponsorship for upcoming events **£387,366** (2019 to 2020: £296,185) and lottery subscriptions for future draws **£89,188** (2019 to 2020: £91,320).

16(b) Provisions

	Group 2021 (£)	Group 2020 (£)	Charity 2021 (£)	Charity 2020 (£)
Dilapidations provisions	1,330,000	–	1,330,000	–
Retail grant provisions	254,653	–	254,653	–
	1,584,653	**–**	**1,584,653**	**–**

Dilapidations provision - during 2020/21 COVID-19 has caused CHSW to review its Retail Strategy. It has therefore created a dilapidation provision for each of its shops. As each of CHSW's shop leases comes to an end there is likely to be a dilapidation cost, if CHSW leave the premises, at this point the provision will be released. At the time of departure the dilapidations cost will be assessed by surveyors and may differ from the estimate made.

Retail grant provision - during 2020/21 CHSW was in receipt of a number of retail grants (Note5) due to COVID-19. During the period 5 January 2021 - 15 February 2021 there was some ambiguity in the guidance due to the uncertainty following Brexit. CHSW sought appropriate legal council which advised that we were highly likely to be permitted by the subsidy rules to claim these grants, however it was agreed that a provision be established in case there was any requirement to repay. The amounts will released once either further guidance is issued, repayments are made or sufficient time has passed to assume no repayment is required.

17 Endowment fund

During 2007 the charity received an expendable endowment of £1 million, the income from which is restricted. This income funds care staff costs at Charlton Farm and, in particular, the post of Head of Care. Income in 2020 to 2021 is **£48,650** (2019 to 2020: £42,229) and is included in restricted funds income on the Statement of Financial Activities. The gain in 2020 to 2021 is **£205,056** (2019 to 2020: loss £154,456).

During the year ended 31 March 2020 £78,891 of funds previously restricted to Charlton Farm were transferred to the endowment fund with the consent of the donors.

17 Endowment fund (continued)

	1 April 2020 (£)	Income (£)	Expenditure (£)	Gains/(losses) (£)	31 March 2021 (£)
Endowment	1,400,656	–	–	205,056	**1,605,712**

	1 April 2019 (£)	Income (£)	Expenditure (£)	Gains/(losses) (£)	31 March 2020 (£)
Endowment	1,476,221	–	–	(75,565)	**1,400,656**

18 Restricted funds - charity and group

	1 April 2020 (£)	Income (£)	Expenditure (£)	Transfer between funds (£)	31 March 2021 (£)
Little Harbour capital	380,000	–	–	–	**380,000**
	380,000	**–**	**–**	**–**	**380,000**
NHS England grants	–	3,390,477	(3,390,477)	–	**–**
Little Bridge House funds	57,763	87,662	(87,852)	(2,571)	**55,002**
Charlton Farm funds	188,296	501,314	(479,524)	(134,577)	**75,509**
Little Harbour funds	48,867	816,662	(807,023)	(10,661)	**47,845**
CHSW funds	31,418	39,708	(26,912)	(1,020)	**43,194**
	706,344	**4,835,823**	**(4,791,788)**	**(148,829)**	**601,550**

	1 April 2019 (£)	Income (£)	Expenditure (£)	Transfer between funds (£)	31 March 2020 (£)
Little Harbour capital	380,000	–	–	0	**380,000**
	380,000	**–**	**–**	**–**	**380,000**
NHS England grants	–	832,007	(832,007)	–	**–**
Little Bridge House funds	61,187	558,798	(488,674)	(73,548)	**57,763**
Charlton Farm funds	208,833	1,436,607	(1,285,276)	(171,868)	**188,296**
Little Harbour funds	50,537	548,317	(514,163)	(35,824)	**48,867**
CHSW funds	8,297	45,944	(18,027)	(4,796)	**31,418**
	708,854	**3,421,673**	**(3,138,147)**	**(286,036)**	**706,344**

Little Harbour capital equates to the land at the Little Harbour hospice site due to restrictions imposed at purchase.

The NHS England grant is the NHS England 'Children's Hospice grant' which was given to sustain and develop the existing high quality hospice care for palliative care children, their siblings and parents.

The Little Bridge House, Charlton Farm, Little Harbour and CHSW funds include donations towards specific projects at each hospice and across the whole charity, including music therapy, equipment, rooms and gardens, parties and presents, play equipment and materials, salary and other revenue costs, and funding of Mums and Dads groups.

18 Restricted funds - charity and group (continued)

Other legacies and donations are restricted to be spent at a specific hospice. Six restricted legacies were over £50,000, of which a total of **£231,267** was donated for Charlton Farm and **£652,290** was donated for Little Harbour.

Transfers between funds represent the amounts spent on capital assets from revenue funds. Only assets with a continuing restriction are maintained as restricted funds.

19 Unrestricted funds

2020 to 2021 group	1 April 2020 (£)	Income (£)	Expenditure (£)	Investment (losses)/ gains (£)	Transfer between funds (£)	31 March 2021 (£)
Designated capital funds	21,176,960	–	(1,167,499)	–	205,811	**20,215,272**
Designated care income fund	–	–	–	–	6,925,613	**6,925,613**
Jill Farwell's Memorial fund	80	–	(80)	–	–	**–**
Total designated funds	**21,177,040**	**–**	**(1,167,579)**	**–**	**7,131,424**	**27,140,885**
Unrestricted general funds	15,891,995	13,950,110	(9,651,321)	1,439,559	(6,982,595)	**14,647,748**
Total unrestricted funds	**37,069,035**	**13,950,110**	**(10,818,900)**	**1,439,559**	**148,829**	**41,788,633**

2020 to 2021 charity	1 April 2020 (£)	Income (£)	Expenditure (£)	Investment (losses)/ gains (£)	Transfer between funds (£)	31 March 2021 (£)
Designated capital funds	21,176,960	–	(1,167,499)	–	205,811	**20,215,272**
Designated care income fund	–	–	–	–	6,925,613	**6,925,613**
Jill Farwell's Memorial fund	80	–	(80)	–	–	**–**
Total designated funds	**21,177,040**	**–**	**(1,167,579)**	**–**	**7,131,424**	**27,140,885**
Unrestricted general funds	15,881,861	13,899,299	(9,606,101)	1,439,559	(6,982,595)	**14,632,023**
Total unrestricted funds	**37,058,901**	**13,899,299**	**(10,773,680)**	**1,439,559**	**148,829**	**41,772,908**

2019 to 2020 group	1 April 2019 (£)	Income (£)	Expenditure (£)	Investment (losses)/ gains (£)	Transfer between funds (£)	31 March 2020 (£)
Designated capital funds	21,397,904	–	(1,131,716)	–	910,772	**21,176,960**
Jill Farwell's Memorial fund	21,605	–	(21,525)	–	–	**80**
Total designated funds	**21,419,509**	**–**	**(1,153,241)**	**–**	**910,772**	**21,177,040**
Unrestricted general funds	15,919,709	12,351,388	(10,791,813)	(883,662)	(703,627)	**15,891,995**
Total unrestricted funds	**37,339,218**	**12,351,388**	**(11,945,054)**	**(883,662)**	**207,145**	**37,069,035**

2019 to 2020 charity	1 April 2019 (£)	Income (£)	Expenditure (£)	Investment (losses)/ gains (£)	Transfer between funds (£)	31 March 2020 (£)
Designated capital funds	21,397,904	–	(1,131,716)	–	910,772	**21,176,960**
Jill Farwell's Memorial fund	21,605	–	(21,525)	–	–	**80**
Total designated funds	**21,419,509**	**–**	**(1,153,241)**	**–**	**910,772**	**21,177,040**
Unrestricted general funds	15,919,447	12,238,003	(10,688,300)	(883,662)	(703,627)	**15,881,861**
Total unrestricted funds	**37,338,956**	**12,238,003**	**(11,841,541)**	**(883,662)**	**207,145**	**37,058,901**

19 Unrestricted funds (continued)

The trustees have established designated capital funds which are equivalent to the net book value of unrestricted tangible and intangible fixed assets used to enable Children's Hospice South West to carry out its charitable work. Of the net transfers between funds, **£67,067** represent the amounts spent on capital assets from restricted funds where the restrictions on the donations for assets have been fulfilled. In the year **£249,397** was spent on capital from general unrestricted funds and was transferred to designated capital funds.

In the year ended 31 March 2020 £78,891 was transferred from the Charlton Farm restricted fund to the Endowment fund in line with the donors wishes.

Jill Farwell's Memorial Fund was established by donations to remember Jill's death in September 2004. The trustees, together with Eddie Farwell, decided that the funds will be used to provide ongoing music therapy. This fund has now been fully spent.

The designated Care Income Fund has been established during the year for the creation of a CHSW Care Endowment Fund in 2021/22, subject to the appropriate legal advice.

Unrestricted general funds have the primary aim of reducing the dependency of the charity on any of its income streams as they develop in the future and to specifically fund essential projects to improve the service of the organisation.

20 Analysis of fund balances between net assets - group

As at 31 March 2021	Unrestricted (£)	Restricted (£)	Endowment (£)	Total (£)
Fixed assets	20,215,270	380,000	–	**20,595,270**
Investments	13,441,146	–	1,605,712	**15,046,858**
Net current assets	9,716,870	221,550	–	**9,938,420**
Provisions	(1,584,653)	–	–	**(1,584,653)**
	41,788,633	**601,550**	**1,605,712**	**43,995,895**

As at 31 March 2020	Unrestricted (£)	Restricted (£)	Endowment (£)	Total (£)
Fixed assets	21,176,960	380,000	–	**21,556,960**
Investments	9,975,686	–	1,400,656	**11,376,342**
Net current assets	5,916,389	326,344	–	**6,242,733**
	37,069,035	**706,344**	**1,400,656**	**39,176,035**

Free reserves

	Group 2021 (£)	Group 2020 (£)	Charity 2021 (£)	Charity 2020 (£)
Unrestricted General Funds	14,647,748	15,891,995	14,632,023	15,881,861
Less investments held in 5 year strategy	–	(2,014,805)	–	(2,014,805)
	14,647,748	**13,877,190**	**14,632,023**	**13,867,056**
Free reserves target (ceiling)	13,411,160	12,700,000	13,411,160	12,700,000
Free reserves target (floor)	11,670,998	10,900,000	11,670,998	10,900,000

21 Status of the charitable company

The charity is a company limited by guarantee, having no share capital. The liability of each member, in the event of winding-up, is limited to £1.

22 Operating lease commitments

The total commitment under operating leases from premises is as follows

Payments falling due:	Total 2021 (£)	Total 2020 (£)
Within one year	697,782	785,501
Between two and five years	1,056,321	2,100,100
In more than five years	–	994,616

The total commitment under operating leases for other assets is as follows

Payments falling due:	Total 2021 (£)	Total 2020 (£)
Within one year	27,433	19,973
Between two and five years	37,325	5,796

23 Pension commitments

CHSW employees belonged to two principal pension schemes during the year. The NHS pension scheme for eligible staff is a defined benefit scheme. Non eligible members of staff are offered a defined contribution scheme administered by Scottish Widows.

NHS scheme

Only ex-NHS qualified doctors and nurses are eligible to join the NHS scheme. The NHS scheme is a multi-employer defined benefit pension scheme. As the charity is unable to identify its share of the assets and liabilities of the scheme on a consistent and reliable basis, the scheme is treated by the charity as if it were a defined contribution scheme, in accordance with FRS 102 'Retirement benefits'.

Total pension contributions and liabilities

The total pension costs, excluding salary exchange, charged in the year represent the charity's contributions to all the schemes and amounted to **£723,845** (2019 to 2020 : £758,819). The charity's contributions outstanding at 31 March 2020 were **£101,953** (2019 to 2020 : £63,996). The assets and liabilities of both schemes are held separately from those of the charity, in independently administered pension schemes.

24 Capital commitments

At the balance sheet date the Charity had capital commitments totalling £nil (2019 to 2020: £43,528).

25 Indemnities

Legacies

The charity has indemnified the executors of three estates in respect of residuary legacies distributed to the charity. The maximum liability under the indemnities at the date the accounts were approved is **£27,437** (2019 to 2020: £27,437).

Solicitors' unclaimed client funds

Following the passing of relevant legislation, solicitors are now permitted to distribute to charities certain unclaimed client funds, however an indemnity is required from those charities to indefinitely commit to refund any funds that are subsequently claimed. The total of the charity's indemnities is **£104,919** (2019 to 2020: £104,919).

26 Contingent assets - legacies

As at 31 March 2021 the charity had been notified of a number of residuary legacies, the values of which were uncertain, as the executors were awaiting confirmation of other claims on the estate and may also be in the process of realising assets such as residential property. The estimated total of these legacies could be up to **£1.6m**.

None of these legacies have been accrued in the financial statements.

27 Note to the cash flow statement

27(a) Reconciliation of net movement in funds to the net cash flow from operating activities

	Total 2021 (£)	Total 2020 (£)
Net movement in funds	4,819,860	(348,258)
Add back: depreciation and amortisation charges	1,167,498	1,131,716
Add back: (losses)/gains on investments	(1,644,615)	1,038,118
Deduct: investment income and deposit interest	(289,177)	(410,510)
Loss on disposal of fixed assets	110,650	–
(Increase) in stocks	9,979	(12,095)
(Increase) in debtors	(573,435)	(2,313,042)
Increase in creditors	1,442,915	163,576
(Increase) in Hope Cove investment	(452,341)	–
Net cash (used in)/provided by operating activities	**4,591,334**	**(750,495)**

27(b) Analysis of changes in net cash resources

	Total 2020 (£)	Cash flow (£)	Total 2021 (£)
Cash at bank and in hand	3,969,285	2,513,182	**6,482,467**

28 Prior year SOFA

	Notes	Unrestricted funds (£)	Restricted funds (£)	Endowment funds (£)	Total 2020 funds (£)
Income from:					
Donations and legacies		5,543,280	2,491,813	–	8,035,093
Charitable activities: statutory funding		999,303	887,631	–	1,886,934
Trading activities		4,660,895	–	–	4,660,895
Investments		368,281	42,229	–	410,510
Other		779,629	–	–	779,629
Total income		**12,351,388**	**3,421,673**	–	**15,773,061**
Expenditure on:					
Trading activities		3,646,703	–	–	3,646,703
Total income net of trading expenditure		**8,704,685**	**3,421,673**	–	**12,126,358**
Expenditure on:					
Raising funds		2,085,057	–	–	2,085,057
Investment management fees		45,061	–	–	45,061
Net income available for charitable activities		**6,574,567**	**3,421,673**	–	**9,996,240**
Charitable activities:					
Care of children and families		6,168,233	3,138,147	–	9,306,380
Total expenditure		**11,945,054**	**3,138,147**	–	**15,083,201**
Net income/(expenditure) before (losses) /gains on investments		**406,334**	**283,526**	–	**689,860**
Net (losses)/gains on investments		(883,662)	–	(154,456)	(1,038,118)
Net (expenditure)/income		**(477,328)**	**283,526**	**(154,456)**	**(348,258)**
Transfer between funds		207,145	(286,036)	78,891	–
Net movement in funds		(270,183)	(2,510)	(75,565)	(348,258)
Reconciliation of funds:					
Total funds brought forward		37,339,218	708,854	1,476,221	39,524,293
Total funds carried forward		**37,069,035**	**706,344**	**1,400,656**	**39,176,035**

Accounting policies

Basis of preparation and accounting policies

CHSW is a registered charity with the Charity Commission England and Wales (charity number 1003314) and was incorporated as a private company limited by guarantee (company number 02620879). Its registered office is Little Bridge House, Redlands Road, Fremington, Barnstaple, Devon EX31 2PZ. This is also the registered address of the subsidiary.

The following accounting policies have been applied consistently in dealing with items that are considered material in relation to the financial statements:

(a) Basis of preparation of accounts

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Companies Act 2006 and Charities Act 2011.

CHSW meets the definition of a public benefit entity under FRS 102.

These financial statements consolidate the results of the charity and its wholly owned subsidiary, C H S W Promotions Limited, on a line by line basis. All intergroup transactions are eliminated on consolidation.

A separate statement of financial activities and income and expenditure account for the charity has not been presented because the charity has taken advantage of the exemption afforded by section 408 of the Companies Act 2006. The charity has taken advantage of the exemptions in FRS 102 from the requirements to present a charity only cash flow statement and certain disclosures about the charity's financial instruments.

(b) Going concern

The group has cash resources and no requirement for external funding to fund normal operating activities. The Trustees believe that there are no material uncertainties about the group's ability to continue in operating existence for the foreseeable future, having reviewed our financial position, reserves levels and future plans. In forming these conclusions, the Trustees have considered the ongoing financial impact of the COVID-19 pandemic. They continue to believe the going concern basis of accounting appropriate in preparing the annual financial statements.

(c) Fund accounting

Restricted funds are those to be used in accordance with specific instructions imposed by donors or which have been raised by the charity for specific purposes. The aim and use of each restricted fund is set out in the notes to the accounts where material.

The endowment fund is to be retained for the benefit of the charity as a capital fund. The income generated from the capital is restricted due to the wishes of the donor. The endowment fund included in these accounts is an expendable endowment.

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity.

The Trustees have designated certain unrestricted funds as capital funds, representing the net book value of the unrestricted fixed assets used to enable CHSW to carry out its charitable work. During the year the Trustees have designated funds with the intention of setting up the CHSW Care Endowment Fund in the year ended 31 March 2022.

(d) Income

Income is recognised when the charity 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 the amount can be measured reliably.

Income from voluntary sources is received by way of donations and gifts and is included in full in the Statement of Financial Activities when receivable.

Income from gift aid tax reclaims is recognised for all donations made prior to the year end, where valid gift aid declarations are held, and allocated to the same fund as the underlying donation.

> "Without your care he could have died in hospital on his own. No words can say how this gave a dignified closure for the family."

Donated services and facilities
Properties, investments, and other fixed assets donated to the charity are included as income and recognised as assets at market value at the time that the charity takes control of the item. Donated services and facilities are included as income, if material, at their estimated value to the charity when received, and under the appropriate expenditure heading depending on the nature of service provided, at the same value and time. Although it is of significant value to the charity, time donated by the charity's many volunteers and Friends Group members is not recognised in the accounts as it cannot be reliably valued and is specifically exempted by the SORP. Details of the role played by volunteers and the nature of their contribution can be found in the Trustees' report.

Stocks of donated goods for resale cannot be measured reliably in a cost-effective manner, due to the high volume of low value items received. Therefore donated goods for resale are not recognised on receipt, but their value is recognised as income when sold.

Legacy income
Legacies are recognised when the charity is entitled to the funds (when there is a valid will and they are notified of the benefactors death), when receipt is probable (indicated by grant of probate) and the charity can reliably estimate the legacy income receivable.

Recognition is therefore dependent upon the type of legacy.

- Pecuniary Legacies are recognised when notification is received and probate has been granted.
- Residuary legacies are recognised when notification is received, probate has been granted and a reliable estimate of the fair value can be made (the executors have compiled draft accounts).
- Discretionary/conditional legacies are not recognised until a distribution has been made or all conditions have been satisfied.

> "We are really so thankful for our stay this last weekend. I really cannot put into words how appreciative we are. It was amazing to have a night of unbroken sleep. We feel so much better for it and ready to carry on the fight."

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 (note 26).

Income received in advance
Income received in advance of an event or provision of other specific service, is deferred until the criteria for income recognition are met.

Interest received
Interest on funds held on deposit is included when receivable.

Investment income
Investment income is credited to income on an accruals basis.

Grants (including Government grants)
Grants received for specific purposes are accounted for as restricted funds. Grants that provide core funding or are of a general nature provided by charitable foundations are recorded as donations. The grants detailed in note 4 have been included as income from charitable activities as they relate to the provision of care services. Grants are recognised in full when entitlement is established.

(e) Expenditure

Expenditure is accounted for on an accruals basis and 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 has been classified under the following activity headings.

- The costs of raising funds are those incurred in encouraging individuals and organisations to make voluntary contributions and donations to the charity. This includes the costs of the charity's fundraising offices and supporter groups, the cost of trading and investment management fees.
- Charitable expenditure comprises direct expenditure including direct staff costs attributable to its care activities and support costs.

The treatment of VAT is detailed in (h) page 42.

Support costs include central functions and are allocated to activity cost categorised on a basis consistent with the use of resources. This allocation is carried out on a substantive activity basis and does not take account of incidental use.

Governance costs are included within support costs and comprise the costs of running the charity. This includes external audit, any legal advice for the Trustees and all costs

of complying with constitutional and statutory requirements such as the costs of Board and Committee meetings.

(f) Operating leases

Rentals applicable to operating leases, where substantially all the risks and rewards of ownership remain with the lessor, are charged in the statement of financial activities over the life of the lease on a straight line basis. They include retail shops, vehicles and photocopiers.

(g) Pension costs

The charity contributed to one defined benefit scheme in the year, but also operates a defined contribution pension scheme. Pension costs charged to the statement of financial activities represent the contributions payable by the charity in respect of the accounting period. Both schemes are accounted for as defined contribution schemes. Note 23 provides a detailed explanation.

(h) Taxation

The charity is exempt from Corporation Tax on its charitable activities.

The charity is registered for Value Added Tax. Irrecoverable VAT is allocated to the areas in which it is incurred.

(i) Tangible and intangible fixed assets

Tangible and intangible fixed assets are depreciated and amortised in equal annual instalments, using the straight line basis, over their estimated useful lives, as follows:

Little Bridge House, Charlton Farm and Little Harbour	50 years
Other freehold buildings	5-50 years
Leasehold property	Life of lease
Medical equipment	5-10 years
Furniture and equipment; fixtures and fittings	4-20 years
Garden, play and external equipment	5-10 years
Soft furnishings	4-5 years
Computer equipment and software	3-5 years
Motor vehicles	4 years

No depreciation is provided on freehold land.

The cost of minor additions, defined as those costing less than £500 each, are expensed in the year in which they are incurred.

> "We are in awe of the way you have adapted to all of the restrictions/obstacles."

Above: The Care Team at Little Bridge House's annual 'I'm a Celebrity, Get Me Out of Here' was filmed to share with families and children who couldn't get to the hospice.

Right: Exeter Chiefs players hold virtual story time session.

(j) Fixed asset investments

Assets held with the intention of retaining them long-term for the continuing benefit of the charity through income and capital appreciation are classified as fixed asset investments. These may include investments listed on a recognised stock exchange (or ones valued by reference to such investments, such as common investment funds, open ended investment companies, and unit trusts), investment land or properties, investments in subsidiary undertakings, and cash held for investment purposes.

Fixed asset investments, other than cash deposits, are stated at market valuation and any gains or losses are dealt with in the statement of financial activities.

Investment in the subsidiary is stated at cost.

Current asset investment
Current asset investments consist of a property left to CHSW in a Will. The property was valued by an independent agent and has been recognised at the indicated value. Additional expenses are recognised at cost.

(k) Stock

Stock consists of purchased goods for resale. Purchased goods for resale are valued at the lower of cost and net realisable value, after allowing for obsolete and slow moving stock.

(l) Debtors

Other debtors, legacies receivable and accrued income are recognised at the settlement amount due after any trade discounts. Prepayments are valued at the amount prepaid net of any trade discount.

(m) Cash at bank and in hand

Cash at bank and in hand includes cash in hand and cash held by financial institutions.

(n) Creditors

Creditors are recognised when the charity 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.

(o) Financial instruments

The charity only has basic financial instruments that result in the recognition of financial assets and financial liabilities. Financial instruments include cash at bank, trade debtors, legacies receivable, accrued income from financial instruments (comprising dividends and interest due from investments), trade and sundry creditors and accrued expenditure. Financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

(p) 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:

Useful economic lives of tangible and intangible assets
The annual depreciation and amortisation charges for the tangible and intangible assets are sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are amended when necessary to reflect current estimates and the physical condition of the assets. See notes 11 and 12 for the carrying amount of the tangible and intangible assets and policy (i) for the useful lives for each class of asset.

Impairment of debtors
The group makes an estimate of the recovery of trade debtors and other debtors. When assessing the impairment of trade debtors and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience.

Provisions
The group has estimated the anticipated costs of dilapidations across its retail operations based on the age of the lease and the fit out costs.

The group has estimated the potential maximum claw-back on its retail grant income based on legal advice received and detailed calculations.

Independent auditor's report to the members of CHSW

Opinion

We have audited the financial statements of Children's Hospice South West ('the charitable company') and its subsidiaries ('the group') for the year ended 31 March 2021 which comprise the Consolidated Statement of Financial Activities, Consolidated and Charity Balance Sheet, Consolidated Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the charitable company's affairs as at 31 March 2021 and of the group's 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 UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustee's 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 charitable company's or the group'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 contained within the annual report. 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.

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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements

Matters on which we are required to report by exception

In light of the knowledge and understanding of the group and charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the trustees' report.

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

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 21, 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 charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

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

"The hospice is a very unique and special place, mostly because of the outstanding staff that give so much of themselves. During this difficult uncertain time, we are coping much better knowing that we are supported by all at Charlton Farm."

"T has been struggling with the lockdown and his emotions have been very up and down. Coming to see you guys has made his month! Little Harbour is a home from home for us and it means so much to us all that we have contact with you all."

Independent auditor's report to the members of CHSW (continued)

(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 UK operations were CQC Regulations.

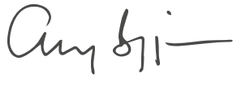
Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of income and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management and the Investment and Finance 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.

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 the charitable company's members as a body for our audit work, for this report, or for the opinions we have formed.



Guy Biggin
Senior Statutory Auditor

For and on behalf of Crowe U.K. LLP Statutory Auditor
Fourth Floor,
St James House,
St James Square,
Cheltenham GL50 3PR

Date: 22 October 2021

Structure governance and management

CHSW is a registered charity with the Charity Commission in England and Wales (charity number 1003314) and was incorporated as a private company limited by guarantee (company number 02620879), on 17 June 1991. Legal and company information is set out on page 51 and lists the Directors and Trustees, the SMT and the principal advisors and forms part of this report.

Principal object of the charity

The charity was established "to promote the relief of illness and suffering in such ways as the Association shall from time to time think fit, and in particular in the South Western counties of England and adjacent areas and in particular:

- by establishing, maintaining and conducting residential nursing homes for the reception and care of young persons who are suffering from any chronic or terminal illness or from any other physical or mental infirmity, disability or disease and for the reception and care of the members of the family of such persons whether adult or otherwise, and so that any such home may be restricted to patients (and the families of patients) of under a certain age limit or to patients suffering from any particular types of illness, disability, disease or infirmity, and by providing medical or other treatment or attention for any such persons and their families as aforesaid in their own homes;
- by conducting or promoting or encouraging research into the care and treatment of persons suffering from any such illness, disability, disease or infirmity as aforesaid and particularly into the care and treatment of persons suffering from terminal illness and the care of the families of such persons and by providing for the dissemination of the results of such research;
- by promoting or encouraging or assisting in the teaching or training of Doctors, Nurses, Physiotherapists, Administrators, Social Workers, and other persons engaged in any branch of medicine, surgery, nursing or allied services, and in the teaching or training of students in any branch of medicine, surgery, nursing or allied services;
- by providing or assisting or encouraging the provision of spiritual help and guidance for any persons resident (either as patients or as families) or associated in any way with any such home or homes as aforesaid

In pursuing the principal objectives of the organisation, activities that CHSW provides to the families in the South West are detailed on pages 8-11.

Structure governance and management (continued)

Organisational structure

The charity is constituted as a company limited by guarantee, and, therefore, is governed by a Memorandum and Articles of Association and has no share capital.

The charity has a wholly owned subsidiary, C H S W Promotions Limited. The principal activity of the subsidiary is the sale of promotional and bought in goods in support of CHSW.

The Directors of this subsidiary throughout the year, unless otherwise stated, are as follows:

- Nicola Mason, CHSW Trustee;
- Jessica Patel, CHSW Director of Marketing and Communications;
- David Turner, CHSW Trustee;
- Jonathan Webber, CHSW Director of Finance

All Directors of CHSW, (excluding the SMT), are also Trustees of the charity and there are no other Trustees. All the Trustees named on page 51 served throughout the year and until the date this report has been signed, unless otherwise stated.

The charity is organised so that the Trustees meet collectively four times a year to direct the management of its affairs. Strategy days are also held periodically.

The members (the members of the charity include all Trustees' and 3 other individuals) of the charity may, by ordinary resolution, appoint persons who are willing to act to be Trustees.

Assurance committees

In addition to regular Board meetings, with the attendance of all Trustees and the SMT, delegated authority has been given to Assurance Committees to assist the Board in several functional and risk areas of the organisation. These Assurance Committees are attended by Trustees with relevant skills and experience, meet at least three times per year and report directly to the Board. They currently include:

- Care Assurance Committee;
- Income Generation Assurance Committee;
- Investment and Finance Assurance Committee;
- Governance Assurance Committee; (incorporating risk and remuneration)

Appointment of Trustees

The Board is responsible for confirming the appointment of a new Trustee following a clear recruitment and selection policy and procedure. The term of office is three years after which period a Trustee must seek re-appointment by the Board if he or she wishes to continue as a Trustee. There is currently a three-term maximum on number of terms of office a Trustee can serve.

CHSW will ensure it maintains and enhances its own accountability and wider public confidence in its work by:

- engaging effectively with the community it serves;
- responding equitably to the needs of its users;
- endeavouring to ensure a mix of Trustees that reflects the mix of CHSW beneficiaries and its local communities

New Trustees are offered a programme of induction which includes reading a certain amount of literature, meeting with some of those who lead the organisation, and gaining some first-hand experience of situations in which we work. The programme of induction contains the following elements:

- A document pack including:
  - organisational structure chart;
  - governing documents and governance policies;
  - strategic plan;
  - latest annual report;
  - latest management accounts;
  - risk register;
  - annual meeting schedule
- Meeting key personnel including the chair of Trustees and individual members of the SMT.
- Taking a tour of one of our hospices and meeting with the Head of Care.
- Attending a welcome day with other new staff.
- Spending time on a shift, working with the Care Team.
- Attending other key events such as a staff quarterly site meeting, fundraising events and a Friends Group conference.

> "I just wanted to say thank you for all you have done for me and my family over the years... one day my dream is to be able to come back and work there and hopefully do an as incredible job as you all have done."

Management

The day to day operation of the charity is carried out by SMT, listed on page 51, who have delegated responsibility and are employees of the charity.

Care services throughout the charity are provided under the direction of the Director of Care, Allison Ryder.

Fundraising staff work under the direction of the Director of Fundraising, Paul Courtney. The Director of Marketing and Communications, Jessica Patel, oversees marketing and communication issues together with IT services. The finance function is overseen by the Director of Finance, Jonathan Webber. Jonathan is also Company Secretary and is responsible for the trading operations.

The Director of HR, Daphne Sands, is also responsible for facilities management and health and safety.

The above members of SMT report to the Chief Executive, Eddie Farwell, who oversees all operational and strategic matters.

Senior Management Team remuneration

SMT remuneration, including that of the Chief Executive, is reviewed annually by the Governance Assurance Committee. Senior management remuneration is established and reviewed periodically based on the Hay Group methodology in respect to job evaluation and also having due regard to CHSW's duty to ensure best value and after taking advice on pay levels, market conditions and other relevant factors.

Other than allowable expenses, CHSW makes no payments in addition to the basic salary to the Chief Executive and SMT for undertaking their core role. Any authorised additional hours will be subject to the conditions in line with all staff.

Employees

CHSW is committed to the principle of equal opportunities in employment and recognises its obligations under the Equality Act 2010. CHSW declares its opposition to any form of less favourable treatment, whether through direct or indirect, associated or perceived discrimination accorded to CHSW staff, or job applicants, on the grounds of their race/nationality or ethnic origin, disability, sex, age, sexual orientation and gender reassignment, marital and civil partnership status, pregnancy and maternity, religion or belief, (otherwise known as 'protected characteristics' as defined by the Equality Act 2010), including Human Rights.

CHSW is committed to creating a positive culture of respect for all CHSW staff and to promote positive practice and value the diversity of all individuals and communities.

CHSW embraces and recognises the importance of diversity and that different people bring different perspectives, ideas, knowledge and culture, and that this difference brings great strength as well as contributing to employee well-being and engagement.

Our aim is to create a culture that respects and values each person's differences, that promotes dignity, equality, diversity and inclusivity, and that encourages individuals to develop and maximise their true potential.

We expect commitment and involvement from all CHSW staff, partners and providers of goods and services in working towards the achievement of our aim.

Continued close attention is paid to the health and safety of employees while at work and all employees are provided with appropriate training in compliance with our CHSW Health and Safety Policy.

Employee views are sought through a number of forums including 121's, team meetings, steering groups, staff survey and the Staff Council. CHSW's strong 'Speaking Up' culture is also supported by a team of Freedom to Speak Up Champions from across the organisation which includes a Trustee. There were no concerns raised via the Whistleblowing Policy this year. Information concerning the charity and its activities and performance are shared with employees through several mediums including Internal Communications via email, the Staff Intranet, and Site Meetings. These forms of communication are constantly evolving and the use of video conferencing via Zoom and Teams has come into its own this year.

Structure governance and management (continued)

Engaging with our stakeholders

The CHSW Trustees set out to define discrete stakeholder groups and recognises that in many cases they have complementary interests and shared priorities. Stakeholders identified include life limited children, their families, donors, staff, volunteers, Clinical Commissioning Groups, local communities, contractors, suppliers, and our Patron.

The Trustees have in place a strategy for regular and effective communication with these stakeholders about the charity's purposes, values, work and achievements. Examples of this includes marketing strategies and a family engagement programme.

The Trustees communicate how the charity is governed, who they are, and decisions being made through the CHSW website and the Trustee Annual Report. The Trustees ensures that stakeholders have an opportunity to hold the board to account through agreed processes and routes such as Friend's Group Conferences, Volunteer Appreciations days, Parent Forums, Parent Feedback Questionnaires, Staff Council and regular Staff Surveys

The Trustees make sure there is suitable consultation with stakeholders about significant changes to the charity's services or policies.

Memberships

To assist in its decision making and to ensure current and best practice is always followed, the charity are active participants in the membership of several 'not for profit' organisations.

These include the following:

- Hospice UK
- Together for Short Lives; Institute of Fundraising
- Charity Retail Association
- Hospice Lottery Association.
- Gambling Commission
- The Lotteries Council

Related parties

CHSW has a trading subsidiary C H S W Promotions Limited which is responsible for the sale of all new goods, including Christmas Cards. The relationship between the two organisations is set out in a memorandum of understanding.

Charity governance code

CHSW is a not-for-profit organisation which aims to follow charity sector best practice. The Charity Governance Code for larger charities was adopted into our new Governance Framework, which was completed in March 2021. The code sets out the principles and recommend practice for good governance and is a tool for continuous improvement towards the highest standards.

A working party made up of trustees from the Risk and Governance sub-committee undertook the Charity Governance Code Self-Assessment in August 2019 and reported back to the full subcommittee in October 2019 with their recommendations for areas for increased focus and improvement. This work was reinforced at the Board Development Day held in January 2020.

Progress continues with this work with particular focus this year on our governance and risk frameworks. Our focus for next year will include internal audit and stakeholder voice reviews to support the strategic development of our care services post COVID-19.

Energy and carbon reporting

In November 2019 CHSW engaged an independent firm of consultants to demonstrate compliance under the Energy Savings and Opportunities Scheme. This piece of work involved assessing the organisations current energy usage including business, transport, and process, and suggesting energy efficiency opportunities. This requires compliance every four years.

In the year ended 31 March 2021 the organisation's annual energy usage as 978,022 kWh (31 March 2020: 1,206,962 kWh) which equates to 276,849 CO2e (31 March 2020: 341,654 CO2e). When assessed against the organisations Charitable spend of £9,134,461 this gives an intensity ratio of 1 Co2e: £32.99 charitable spend.

The report suggested the top five energy efficiency opportunities which are currently being considered by the SMT and the Trustees.

1. Rationalise HVAC setpoints - heating and cooling.
2. Upgrade lighting to LEDS.
3. Rationalise HVAC timings - match with occupancy.
4. Behaviour change.
5. Upgrade heating systems.

Reference and administration

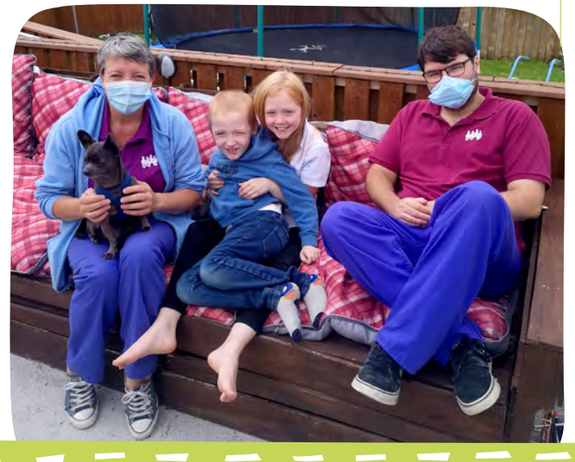
Company Number	02620879
Charity Number	1003314
Directors and Trustees	
	Dr Simon Langton-Hewer (resigned 16 July 2020)
	Stephen Hindley CBE, DL
	Gerry Sones (resigned 16 July 2020)
	David Turner
	Karen Rogers
	Nicola Mason
	Patricia Morris
	Alan Broughton
	Roger Knight
	Elizabeth Childs
	Kate Martin
Secretary	Jonathan Webber
Registered Office	Little Bridge House, Redlands Road, Fremington, Barnstaple, Devon EX31 2PZ
Senior Management Team	
Chief Executive (CEO)	Eddie Farwell MBE, Hon LLD
Director of Care	Allison Ryder
Director of Finance	Jonathan Webber
Director of HR	Daphne Sands
Director of Fundraising	Paul Coutney
Director of Marketing and Communications	Jessica Patel
Advisors	
Principal Bankers	Barclays Bank Plc 3rd Floor, 3 Bedford Street, Exeter EX1 1LX
Principal Solicitors	Burges Salmon LLP 1 Glass Wharf, Bristol BS2 0ZX
Investment Managers	Cazenove Capital Management Limited 1 London Wall Place, London EC2Y 5AU Aberdeen Standard Capital Limited 1 George Street, Edinburgh EH2 2LL Sarasin & Partners LLP Juxon House, 100 St Paul's Churchyard, London EC4M 8BU
Independent Auditor	Crowe U.K. LLP Statutory Auditor Fourth Floor, St James House, St James Square, Cheltenham GL50 3PR

Committed to the highest standards

Children's Hospice South West is committed to ensuring all of our fundraising activities are safe, respectful, transparent and accountable. We are registered with the Fundraising Regulator and through consistent training and monitoring, benchmark all of our activities against the Code of Fundraising Practise. Many of our fundraising team are individual members of the Chartered Institute of Fundraising, enabling them to keep up to date with best practise and developing industry guidelines. This has been particularly important in the last year as updated guidance has continued to be released in line with developing Government guidelines.

These high standards of fundraising that we expect of our in-house teams, also extend to those acting on behalf of CHSW. Volunteers receive extensive training to ensure they are up to date with regulatory changes and any agencies or commercial participators that represent the CHSW brand have to demonstrate their commitment to these standards before work commences. In the year to March 2021, CHSW did engage with an external fundraising agency in relation to canvassing activity for its lottery. During the year there were a number of Cause Related Marketing (CRM) agreements with companies partnering with us to raise funds. These agreements were reviewed regularly to ensure companies carrying the CHSW logo acted in line with the standard expected at all times.

While we are committed to these very high standards, there are times when we do receive concerns or complaints. In the last year two people (2020: six) contacted us to raise a concern about our fundraising and marketing activities and we received six complaints (2020: four). These were all reviewed and resolved in line with the charity's complaints policies and no further escalation or involvement of external regulators was required.



In March, the Gambling Commission undertook a targeted compliance assessment to test if CHSW was compliant with key requirements of the Gambling Commission license conditions and codes of practice. We were pleased to hear back from the Commission that they did not identify any issues which required any further action.

In addition to regular training and updates on COVID-19-safe fundraising practises throughout the last year, CHSW has continued to deliver training to ensure that everyone respects the privacy of supporters (especially those who may be classified as vulnerable). Everyone at CHSW is committed to behaviour and communications that ensure no potential or existing supporter feels under any undue pressure to support our work.

> "You are all doing a brilliant job in a complicated time."

Registered with FUNDRAISING REGULATOR

THE LOTTERIES COUNCIL

GAMBLING COMMISSION

Our fundraising standards

children's hospice
SOUTH WEST

www.chsw.org.uk
enquiries@chsw.org.uk

Little Bridge House

Redlands Road, Fremington, Barnstaple, Devon EX31 2PZ
01271 325 270

Charlton Farm

Charlton Drive, Wraxall, North Somerset BS48 1PE
01275 866 600

Little Harbour

Porthpean Road, Porthpean, St Austell, Cornwall PL26 6AZ
01726 871 800

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