



# 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](http://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.

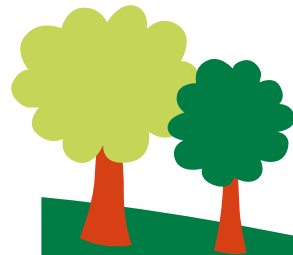
In this, our 30th Anniversary Year, we're especially proud of the service we have been able to provide, proud also of the thousands of supporters who as ever have been inspired to help the cause. We are grateful for the financial support we have received from Government, which together with an unprecedented 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



# 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.



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(including the Strategic report)

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## 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.

“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.”

## 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.



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.	<p>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.</p> <p>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.</p>
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.	<p>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.</p> <p>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.</p>
To develop a Digital Transformation Strategy to continue to enhance our ways of working across the organisation in an ever-changing digital world.	<p>A new Digital Transformation Strategy has been created and a new Digital Transformation Steering group is in development.</p> <p>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.</p>

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

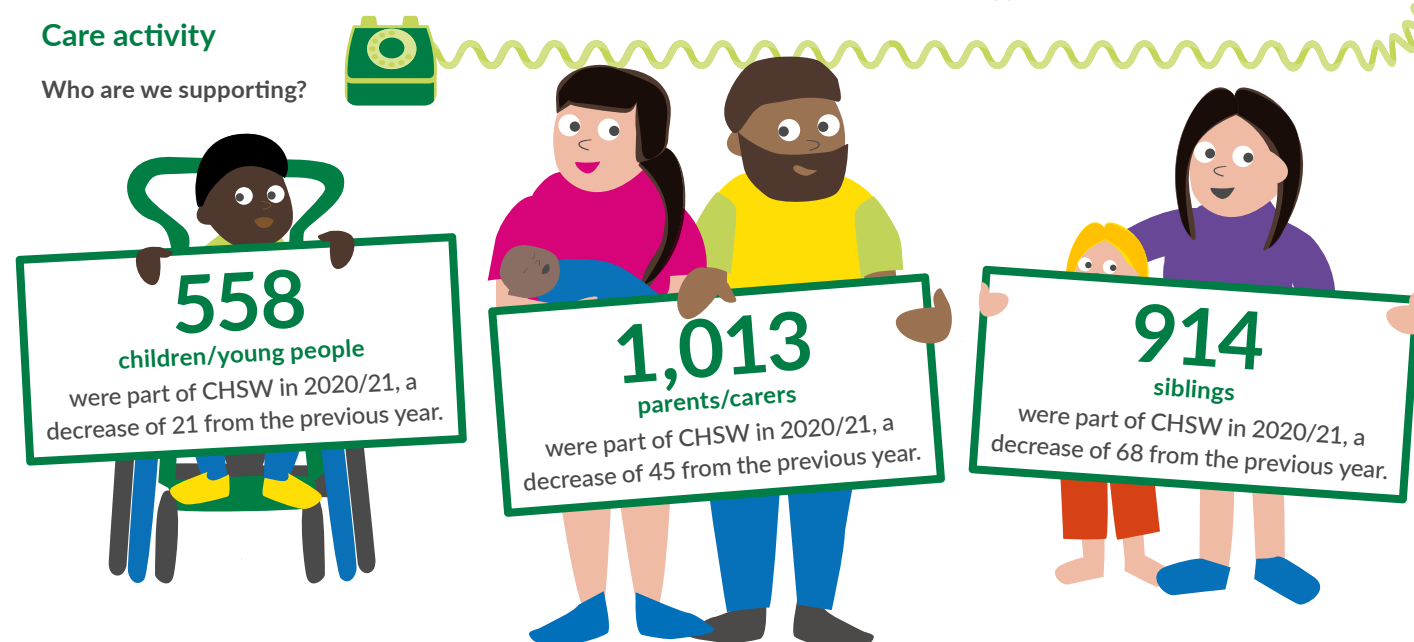
Our 2020/21 summary data looks different to previous year's and it is not possible to provide comparisons as due to COVID-19 restrictions we have been delivering care in different way, in the family home and virtually as well as in hospice. There is no national minimum data set for children's hospices.

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?



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.





## 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:

“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.”

“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.”

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

“I thought (the hospice) would be similar to being in a hospital, but it wasn't, it was like a cosy home.”

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.



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 phone 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

“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.”

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.



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.

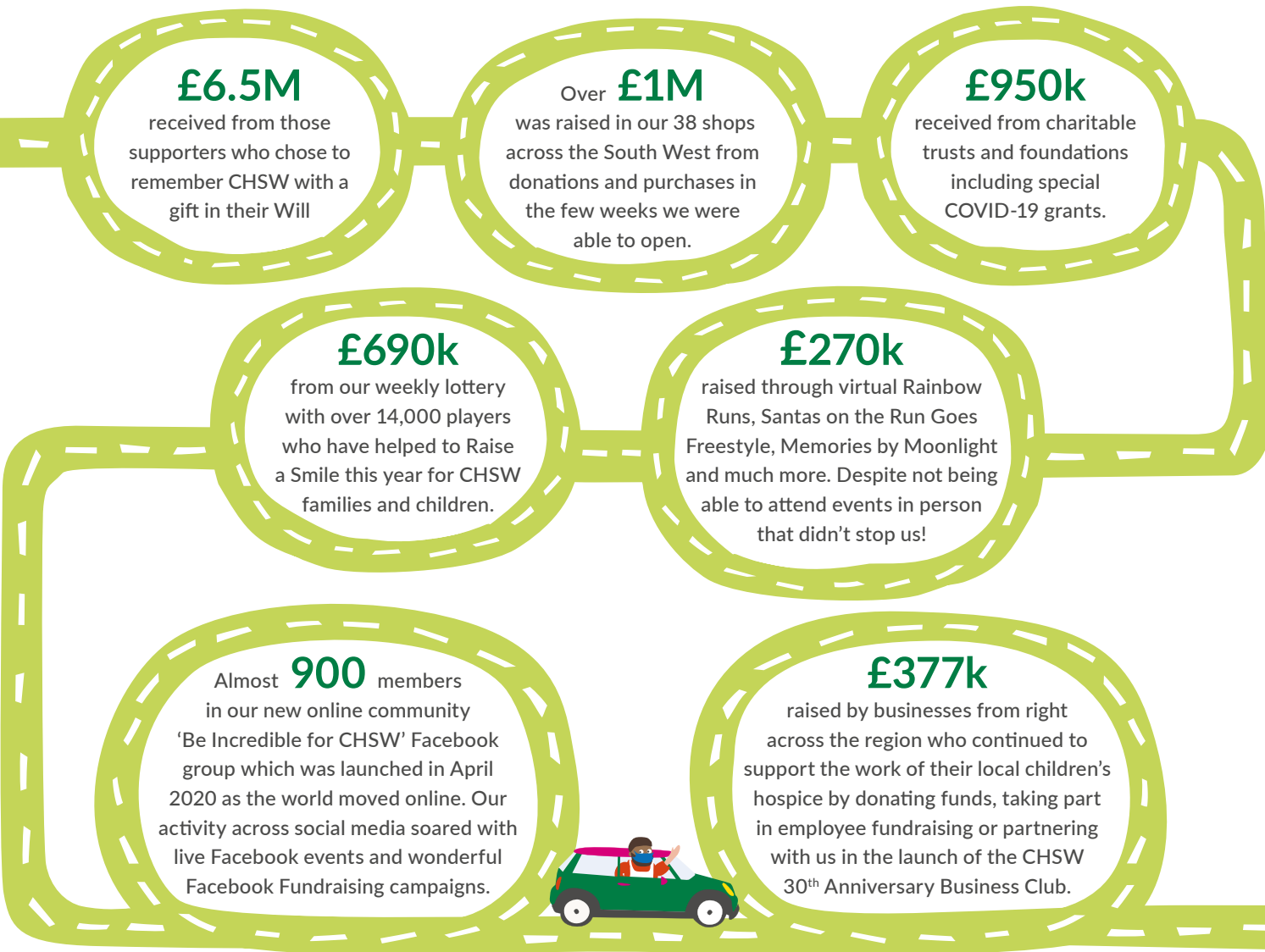
For the majority of the last year our network of charity shops were closed, our programme of in-person fundraising events and community activities were

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:



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.



# 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 its 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.

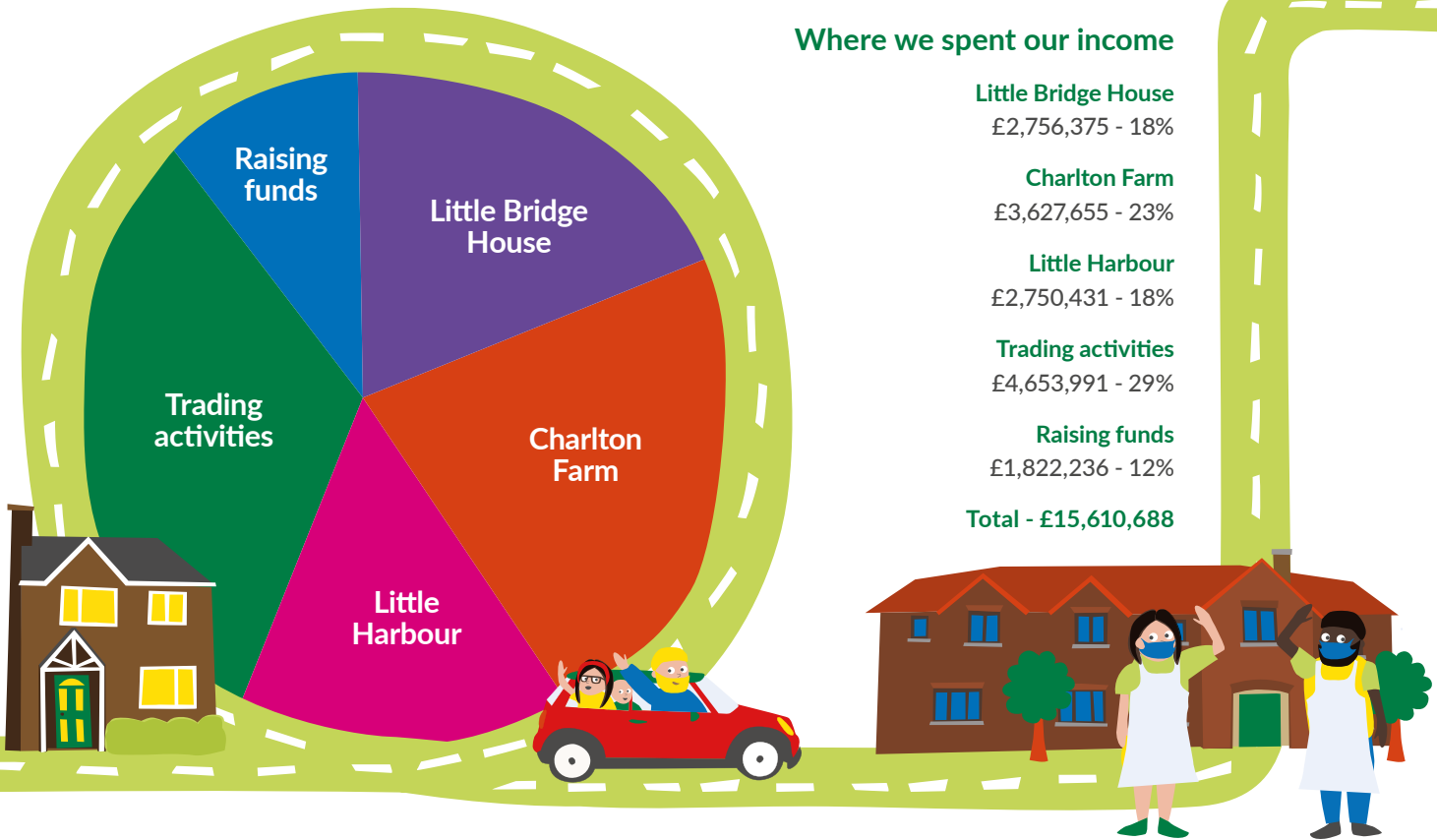
## Where we received our income

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%
<b>Total</b>	<b>£18,785,933</b>



## 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%
<b>Total</b>	<b>£15,610,688</b>





## 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 (£)
<b>Income from:</b> (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
<b>Total income</b>	<b>5</b>	<b>13,950,110</b>	<b>4,835,823</b>	<b>—</b>	<b>18,785,933</b>	<b>15,773,061</b>
<b>Expenditure on:</b>						
Trading activities	3	4,653,991	—	—	4,653,991	3,646,703
<b>Total income net of trading expenditure</b>		<b>9,296,119</b>	<b>4,835,823</b>	<b>—</b>	<b>14,131,942</b>	<b>12,126,358</b>
<b>Expenditure on:</b>						
Raising funds		1,750,573	—	—	1,750,573	2,085,057
Investment management fees		71,663	—	—	71,663	45,061
<b>Net income available for charitable activities</b>		<b>7,473,883</b>	<b>4,835,823</b>	<b>—</b>	<b>12,309,706</b>	<b>9,996,240</b>
<b>Charitable activities:</b>						
Care of children and families	6	4,342,673	4,791,788	—	9,134,461	9,306,380
<b>Total expenditure</b>	<b>6</b>	<b>10,818,900</b>	<b>4,791,788</b>	<b>—</b>	<b>15,610,688</b>	<b>15,083,201</b>
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)
<b>Net income/(expenditure)</b>		<b>4,570,769</b>	<b>44,035</b>	<b>205,056</b>	<b>4,819,860</b>	<b>(348,258)</b>
Transfer between funds	17, 18 and 19	148,829	(148,829)	—	—	—
<b>Net movement in funds</b>		<b>4,719,598</b>	<b>(104,794)</b>	<b>205,056</b>	<b>4,819,860</b>	<b>(348,258)</b>
<b>Reconciliation of funds:</b>						
Total funds brought forward	17, 18 and 19	37,069,035	706,344	1,400,656	39,176,035	39,524,293
<b>Total funds carried forward</b>	<b>17, 18 and 19</b>	<b>41,788,633</b>	<b>601,550</b>	<b>1,605,712</b>	<b>43,995,895</b>	<b>39,176,035</b>

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 (£)
<b>Fixed assets</b>					
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
		<b>35,642,128</b>	<b>32,933,302</b>	<b>35,642,228</b>	<b>32,933,402</b>
<b>Current assets</b>					
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
		<b>11,036,367</b>	<b>7,482,419</b>	<b>11,014,188</b>	<b>7,467,015</b>
<b>Creditors falling due within one year</b>	<b>16 (a)</b>	<b>(1,097,947)</b>	<b>(1,239,686)</b>	<b>(1,091,593)</b>	<b>(1,234,516)</b>
<b>Net current assets</b>		<b>9,938,420</b>	<b>6,242,733</b>	<b>9,922,595</b>	<b>6,232,499</b>
<b>Provisions</b>	<b>16 (b)</b>	<b>(1,584,653)</b>	<b>—</b>	<b>(1,584,653)</b>	<b>—</b>
<b>Total net assets</b>		<b>43,995,895</b>	<b>39,176,035</b>	<b>43,980,170</b>	<b>39,165,901</b>
<b>Funds of the group and charity</b>					
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
<b>Total group and charity funds</b>	<b>20</b>	<b>43,995,895</b>	<b>39,176,035</b>	<b>43,980,170</b>	<b>39,165,901</b>

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)
<b>Cash flows from investing activities</b>			
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
<b>Capital expenditure and financial investment</b>			
<b>Purchases of tangible and intangible fixed assets:</b>			
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)
<b>Fixed asset investments:</b>			
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 (£)
<b>Income from listed investments:</b>		
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
<b>Total</b>	<b>1,867,939</b>	<b>4,660,895</b>

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	—
<b>Total</b>	<b>4,653,991</b>	<b>3,646,703</b>

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)
<b>Operating profit and profit before tax</b>	<b>15,525</b>	<b>9,934</b>
Taxation	—	—
<b>Profit after taxation</b>	<b>15,525</b>	<b>9,934</b>
Retained earnings at the beginning of the year	10,134	262
Distribution of retained earnings as gift aid donation to parent	(9,934)	(62)
<b>Retained earnings at the end of the year</b>	<b>15,725</b>	<b>10,134</b>
Assets	41,742	47,936
Liabilities	(25,917)	(37,702)
<b>Net assets</b>	<b>15,825</b>	<b>10,234</b>

“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
<b>Total income from charitable activities</b>	<b>2,216,854</b>	<b>1,886,934</b>

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	—
	<b>3,748,668</b>	<b>777,000</b>

\*\*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
	<b>9,454,111</b>	<b>5,102,495</b>	<b>1,054,082</b>	<b>15,610,688</b>	<b>15,083,201</b>

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	<b>1,988,200</b>	<b>1,615,667</b>
Less: staff costs	(934,118)	(892,053)
	<b>1,054,082</b>	<b>723,614</b>

## 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
	<b>9,454,111</b>	<b>10,296,882</b>

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
	<b>272</b>	<b>359</b>	<b>288</b>	<b>377</b>



## 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 (£)
<b>Cost:</b>						
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)
<b>At 31 March 2021</b>	<b>21,697,437</b>	<b>501,267</b>	<b>283,475</b>	<b>1,108,726</b>	<b>3,184,986</b>	<b>26,775,891</b>
<b>Depreciation:</b>						
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)
<b>At 31 March 2021</b>	<b>2,620,961</b>	<b>307,821</b>	<b>262,079</b>	<b>840,577</b>	<b>2,272,096</b>	<b>6,303,534</b>
<b>Net book value:</b>						
<b>At 31 March 2021</b>	<b>19,076,476</b>	<b>193,446</b>	<b>21,396</b>	<b>268,149</b>	<b>912,890</b>	<b>20,472,357</b>
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 (£)
<b>Cost:</b>				
At 1 April 2020	3,480,452	12,480,401	5,715,306	21,676,159
Additions	—	21,278	—	21,278
<b>At 31 March 2021</b>	<b>3,480,452</b>	<b>12,501,679</b>	<b>5,715,306</b>	<b>21,697,437</b>
<b>Depreciation:</b>				
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
<b>At 31 March 2021</b>	<b>1,134,091</b>	<b>1,069,039</b>	<b>417,831</b>	<b>2,620,961</b>
<b>Net book value:</b>				
<b>At 31 March 2021</b>	<b>2,346,361</b>	<b>11,432,640</b>	<b>5,297,475</b>	<b>19,076,476</b>
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 (£)
<b>Cost:</b>	
At 1 April 2020	757,083
Additions	(4,210)
Disposals	(7,595)
<b>At 31 March 2021</b>	<b>745,278</b>
<b>Amortisation:</b>	
At 1 April 2020	488,968
Charged in the year	140,992
Disposals	(7,595)
<b>At 31 March 2021</b>	<b>622,365</b>
<b>Net book value:</b>	
<b>At 31 March 2021</b>	<b>122,913</b>
At 31 March 2020	268,115



## 13(a) Investments

	Group 2021 (£)	Group 2020 (£)	Charity 2021 (£)	Charity 2020 (£)
<b>Listed investments:</b>				
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
<b>Market value at period end [Note 13(b)]</b>	<b>14,775,537</b>	<b>11,096,745</b>	<b>14,775,537</b>	<b>11,096,745</b>
<b>Cash held as part of investment portfolios</b>				
	185,321	193,597	185,321	193,597
	<b>14,960,858</b>	<b>11,290,342</b>	<b>14,960,858</b>	<b>11,290,342</b>
<b>Other investments:</b>				
Donated land held for investment purposes	86,000	86,000	86,000	86,000
<b>Investment in C H S W Promotions Limited</b>				
Shares at cost	—	—	100	100
	<b>15,046,858</b>	<b>11,376,342</b>	<b>15,046,958</b>	<b>11,376,442</b>

### 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)
<b>At 31 March</b>	<b>14,775,537</b>	<b>11,096,745</b>

### 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
	<b>4,079,713</b>	<b>3,481,309</b>	<b>4,099,169</b>	<b>3,513,403</b>

### 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
	<b>1,097,947</b>	<b>1,239,686</b>	<b>1,091,593</b>	<b>1,234,516</b>

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	—
	<b>1,584,653</b>	<b>—</b>	<b>1,584,653</b>	<b>—</b>

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 be 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	<b>1,605,712</b>

	1 April 2019 (£)	Income (£)	Expenditure (£)	Gains/(losses) (£)	31 March 2020 (£)
Endowment	1,476,221	—	—	(75,565)	<b>1,400,656</b>

## 18 Restricted funds - charity and group

	1 April 2020 (£)	Income (£)	Expenditure (£)	Transfer between funds (£)	31 March 2021 (£)
Little Harbour capital	380,000	—	—	—	<b>380,000</b>
	<b>380,000</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>380,000</b>
NHS England grants	—	3,390,477	(3,390,477)	—	<b>—</b>
Little Bridge House funds	57,763	87,662	(87,852)	(2,571)	<b>55,002</b>
Charlton Farm funds	188,296	501,314	(479,524)	(134,577)	<b>75,509</b>
Little Harbour funds	48,867	816,662	(807,023)	(10,661)	<b>47,845</b>
CHSW funds	31,418	39,708	(26,912)	(1,020)	<b>43,194</b>
	<b>706,344</b>	<b>4,835,823</b>	<b>(4,791,788)</b>	<b>(148,829)</b>	<b>601,550</b>

	1 April 2019 (£)	Income (£)	Expenditure (£)	Transfer between funds (£)	31 March 2020 (£)
Little Harbour capital	380,000	—	—	0	<b>380,000</b>
	<b>380,000</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>380,000</b>
NHS England grants	—	832,007	(832,007)	—	<b>—</b>
Little Bridge House funds	61,187	558,798	(488,674)	(73,548)	<b>57,763</b>
Charlton Farm funds	208,833	1,436,607	(1,285,276)	(171,868)	<b>188,296</b>
Little Harbour funds	50,537	548,317	(514,163)	(35,824)	<b>48,867</b>
CHSW funds	8,297	45,944	(18,027)	(4,796)	<b>31,418</b>
	<b>708,854</b>	<b>3,421,673</b>	<b>(3,138,147)</b>	<b>(286,036)</b>	<b>706,344</b>

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	<b>20,215,272</b>
Designated care income fund	—	—	—	—	6,925,613	<b>6,925,613</b>
Jill Farwell's Memorial fund	80	—	(80)	—	—	<b>—</b>
<b>Total designated funds</b>	<b>21,177,040</b>	<b>—</b>	<b>(1,167,579)</b>	<b>—</b>	<b>7,131,424</b>	<b>27,140,885</b>
Unrestricted general funds	15,891,995	13,950,110	(9,651,321)	1,439,559	(6,982,595)	<b>14,647,748</b>
<b>Total unrestricted funds</b>	<b>37,069,035</b>	<b>13,950,110</b>	<b>(10,818,900)</b>	<b>1,439,559</b>	<b>148,829</b>	<b>41,788,633</b>

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	<b>20,215,272</b>
Designated care income fund	—	—	—	—	6,925,613	<b>6,925,613</b>
Jill Farwell's Memorial fund	80	—	(80)	—	—	<b>—</b>
<b>Total designated funds</b>	<b>21,177,040</b>	<b>—</b>	<b>(1,167,579)</b>	<b>—</b>	<b>7,131,424</b>	<b>27,140,885</b>
Unrestricted general funds	15,881,861	13,899,299	(9,606,101)	1,439,559	(6,982,595)	<b>14,632,023</b>
<b>Total unrestricted funds</b>	<b>37,058,901</b>	<b>13,899,299</b>	<b>(10,773,680)</b>	<b>1,439,559</b>	<b>148,829</b>	<b>41,772,908</b>

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	<b>21,176,960</b>
Jill Farwell's Memorial fund	21,605	—	(21,525)	—	—	<b>80</b>
<b>Total designated funds</b>	<b>21,419,509</b>	<b>—</b>	<b>(1,153,241)</b>	<b>—</b>	<b>910,772</b>	<b>21,177,040</b>
Unrestricted general funds	15,919,709	12,351,388	(10,791,813)	(883,662)	(703,627)	<b>15,891,995</b>
<b>Total unrestricted funds</b>	<b>37,339,218</b>	<b>12,351,388</b>	<b>(11,945,054)</b>	<b>(883,662)</b>	<b>207,145</b>	<b>37,069,035</b>

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	<b>21,176,960</b>
Jill Farwell's Memorial fund	21,605	—	(21,525)	—	—	<b>80</b>
<b>Total designated funds</b>	<b>21,419,509</b>	<b>—</b>	<b>(1,153,241)</b>	<b>—</b>	<b>910,772</b>	<b>21,177,040</b>
Unrestricted general funds	15,919,447	12,238,003	(10,688,300)	(883,662)	(703,627)	<b>15,881,861</b>
<b>Total unrestricted funds</b>	<b>37,338,956</b>	<b>12,238,003</b>	<b>(11,841,541)</b>	<b>(883,662)</b>	<b>207,145</b>	<b>37,058,901</b>

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	–	<b>20,595,270</b>
Investments	13,441,146	–	1,605,712	<b>15,046,858</b>
Net current assets	9,716,870	221,550	–	<b>9,938,420</b>
Provisions	(1,584,653)	–	–	<b>(1,584,653)</b>
	<b>41,788,633</b>	<b>601,550</b>	<b>1,605,712</b>	<b>43,995,895</b>

As at 31 March 2020	Unrestricted (£)	Restricted (£)	Endowment (£)	Total (£)
Fixed assets	21,176,960	380,000	–	<b>21,556,960</b>
Investments	9,975,686	–	1,400,656	<b>11,376,342</b>
Net current assets	5,916,389	326,344	–	<b>6,242,733</b>
	<b>37,069,035</b>	<b>706,344</b>	<b>1,400,656</b>	<b>39,176,035</b>

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)
	<b>14,647,748</b>	<b>13,877,190</b>	<b>14,632,023</b>	<b>13,867,056</b>
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)	—
<b>Net cash (used in)/provided by operating activities</b>	<b>4,591,334</b>	<b>(750,495)</b>

## 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	<b>6,482,467</b>

## 28 Prior year SOFA



	Notes	Unrestricted funds (£)	Restricted funds (£)	Endowment funds (£)	Total 2020 funds (£)
<b>Income from:</b>					
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
<b>Total income</b>		<b>12,351,388</b>	<b>3,421,673</b>	<b>—</b>	<b>15,773,061</b>
<b>Expenditure on:</b>					
Trading activities		3,646,703	—	—	3,646,703
<b>Total income net of trading expenditure</b>		<b>8,704,685</b>	<b>3,421,673</b>	<b>—</b>	<b>12,126,358</b>
<b>Expenditure on:</b>					
Raising funds		2,085,057	—	—	2,085,057
Investment management fees		45,061	—	—	45,061
<b>Net income available for charitable activities</b>		<b>6,574,567</b>	<b>3,421,673</b>	<b>—</b>	<b>9,996,240</b>
<b>Charitable activities:</b>					
Care of children and families		6,168,233	3,138,147	—	9,306,380
<b>Total expenditure</b>		<b>11,945,054</b>	<b>3,138,147</b>	<b>—</b>	<b>15,083,201</b>
<b>Net income/(expenditure) before (losses) /gains on investments</b>		<b>406,334</b>	<b>283,526</b>	<b>—</b>	<b>689,860</b>
Net (losses)/gains on investments		(883,662)	—	(154,456)	(1,038,118)
<b>Net (expenditure)/income</b>		<b>(477,328)</b>	<b>283,526</b>	<b>(154,456)</b>	<b>(348,258)</b>
Transfer between funds		207,145	(286,036)	78,891	—
Net movement in funds		(270,183)	(2,510)	(75,565)	(348,258)
<b>Reconciliation of funds:</b>					
Total funds brought forward		37,339,218	708,854	1,476,221	39,524,293
<b>Total funds carried forward</b>		<b>37,069,035</b>	<b>706,344</b>	<b>1,400,656</b>	<b>39,176,035</b>



# 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.”



“I 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](http://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.”







children's hospice  
SOUTH WEST

[www.chsw.org.uk](http://www.chsw.org.uk)  
[enquiries@chsw.org.uk](mailto: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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