

HOPE HOUSE CHILDREN'S HOSPICES

England & Wales · Charity number 1003859

Details

Other names	HOPE HOUSE -THE BRADBURY CHILDREN'S RESPITE HOSPICE, HOPE HOUSE CHILDREN'S RESPITE HOSPICE, HOPE HOUSE, HOPE HOUSE CHILDREN'S HOSPICES
Status	Registered
Legal form	Charitable company
Company number	02588103
Registered	1991-08-12
Register	View on the Charity Commission register

Contact

Address Hope House Childrens Hospice
Nant Lane
Morda
Oswestry
SY10 9BX

Phone 01691671999

Email info@hopehouse.org.uk

Website www.hopehouse.org.uk

Activities

Objects: THE OBJECTS OF THE CHARITY ARE TO RELIEVE THE NEED OF:(A) BABIES, CHILDREN AND YOUNG PEOPLE WITH LIFE-THREATENING, LIFE LIMITED AND TERMINAL CONDITIONS AND THEIR FAMILIES, WHO ARE RESIDING IN AND AROUND SHROPSHIRE, CHESHIRE, NORTH AND MID WALES, IN PARTICULAR, BUT NOT EXCLUSIVELY, BY PROVIDING:(I) RESPITE CARE AND SYMPTOM MANAGEMENT;(II) CRISIS, PALLIATIVE AND END OF LIFE CARE AND SUPPORT;(III) PSYCHO-SOCIAL SUPPORT, INCLUDING COUNSELLING AND WELLBEING SUPPORT FOR THE CHILDREN AND YOUNG PEOPLE AND THEIR FAMILIES;(IV) DEATH AND BEREAVEMENT SERVICES FOR THEIR FAMILIES; AND(B) THE FAMILIES OF BABIES, CHILDREN AND YOUNG PEOPLE WHO HAVE DIED IN OTHER CIRCUMSTANCES THROUGH BEREAVEMENT SUPPORT.

Activities: Hope House Children's Hospices provides palliative care for babies, children and young adults up to the age of 25 and support for their family. Care is provided at home, in hospital and at two specially designed hospices, Hope House in Shropshire and Ty Gobaith in North Wales. Services include respite,

emergency care, end of life care, social work, sibling support and counselling.

Classification

- **How:** Provides Buildings/facilities/open Space, Provides Services, Provides Advocacy/advice/information
- **What:** The Advancement Of Health Or Saving Of Lives, Disability
- **Who:** Children/young People, People With Disabilities

Geography

- Cheshire East
- Cheshire West & Chester
- Conwy
- Denbighshire
- Flintshire
- Isle Of Anglesey
- Powys
- Shropshire
- Telford & Wrekin
- Wrexham

Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-31	£13,410,584	£13,660,755	£15,955,242	288
2023-12-31	£12,264,842	£12,634,566	£15,691,864	285
2022-12-31	£12,276,860	£11,310,012	£15,646,941	251
2021-12-31	£10,235,904	£9,327,054	£15,406,252	249
2020-12-31	£10,240,500	£8,420,496	£14,113,677	248

Trustees

Name	Role	Appointed
STEPHEN HENLY	Chair	2011-12-07
Andrew Hunter		2025-12-11
DR David Sharp		2015-09-16
Dr Supriya Kapas		2021-04-12
Gary Morton		2020-07-01
Graeme Harkness		2020-07-01
Huw McKee		2026-03-25
Jane Depledge		2025-12-11
Kelly Miller		2020-07-01
Nicola Scott		2025-12-11
Victoria May Hazeldine		2025-03-26

Accounts

REGISTERED COMPANY NUMBER: 02588103 (England and Wales)

REGISTERED CHARITY NUMBER: 1003859



**STRATEGIC REPORT, REPORT OF THE TRUSTEES AND AUDITED
CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024
FOR
HOPE HOUSE CHILDREN'S HOSPICES AND SUBSIDIARIES**

**DRE & CO (Audit) Limited
7 Lower Brook Street
Oswestry
Shropshire
SY11 2HG**

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Hope House Children's Hospices (A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS FOR THE YEAR ENDED 31 DECEMBER 2024

Trustees

Appointed Officers of the Board

Stephen R Henly	Chair	Company Managing Director
Barbara J Evans	Vice Chair	Retired Local Government Officer
Phillip R Inch	Treasurer	Retired Financial Director

Members of the Board

Sarah Griffith	HR Professional	Resigned 25/03/2025
Dr Supriya Kapas	Quality Assurance Pharmacist	
Graeme Harkness	Retired Head Teacher	
Kelly Miller	Solicitor	
Gary Morton	Group Chief Executive	
Dr David Sharp	General Practitioner	
Jean Watt	Retired Consultant Paediatrician	Resigned 20/03/2024
Andrew Morris	Company Director	Resigned 20/03/2024
Victoria Hazeldine	Qualified Learning Disabilities nurse	Appointed 26/03/2025

Independent Directors of Hope House (Trading) Limited

W Andrew Fergus
Andrew T Goldsmith

Independent Directors of Hope House (Lottery) Limited

Stephen R Henly
Phillip R Inch
Gary Morton
Kelly Miller

Company registered number: 2588103
Charity registered number: 1003859

Registered office:

Nant Lane, Morda, Oswestry, Shropshire, SY10 9BX

Company secretary

Andrew T Goldsmith

Chief Executive officer

Andrew T Goldsmith

Executive leadership team

Simi Epstein	Director of Income Generation and Communications
Karen Wright	Director of Care
W Andrew Fergus	Director of Finance, People and Resources

Independent Auditors

DRE and Co (Audit) Limited, 7 Lower Brook Street, Oswestry, Shropshire, SY11 2HG

Bankers

HSBC Bank Plc, The Cross, Oswestry, Shropshire, SY11 2SR

Solicitors

Lanyon Bowdler, Chapter House North, Abbey Lawn, Abbey Foregate, Shrewsbury, SY3 5DE

Investment manager

Investec Wealth & Investment Limited, Colmore Plaza, Colmore Circus, Birmingham, B4 6AT

Investment advisor

Best Practice IFA Group, Belmont House, Shrewsbury Business Park, Shrewsbury, Shropshire, SY2 6LG

LETTER FROM THE CHAIR OF TRUSTEES

Dear Stakeholder,

I am pleased to present our annual report and accounts for the year ending 31st December 2024. A year that marked a significant step change and renewed clarity of Purpose for our Charity.

At the end of 2024, 259 children were registered with us. This represents just over 10% of the total number of children in our community we believe will be living with a life-threatening condition. We know that there are more who could benefit from hospice care. One of the key pillars of our mission is to reach every child from the point of their diagnosis.

In March 2024, the Board approved a new Mission for the Charity. Since then, we have worked to align the whole organisation around this new Purpose. I am immensely proud of our remarkable staff team, who embraced this vision with unwavering focus, delivering meaningful outcomes for the children and families we support.

During the year, we provided:

- 2,458 nights of planned respite care; and
- 299 nights of emergency / crisis care,

service which families tell us is the most vital service that we offer.

At year-end, 58% of the children registered with us were resident in Wales. Following a strategic decision taken in 2023, nearly 10% of the children we now support are resident in Cheshire up from 3% the previous year.

A recent personal highlight for me was attending a meeting with Inspectors from The Healthcare Inspectorate of Wales who had carried out a routine inspection at Ty Gobalith, our hospice in Conwy. Hearing the Inspectors share feedback from parents was deeply moving. One parent's words have remained with me; "This place is beyond improvement". I am incredibly proud of the whole team, working together, listening to the views and seeking to understand the needs of all of our service users, whose dedication made this possible.

2025 will be a milestone year, marking 30 years since the charity began supporting children with life-threatening conditions. Over those years, children's palliative care has evolved significantly. Today children are thankfully living longer, but often with very complex conditions. Each month around ten new referrals are made to our Care Team, on average seven children and their families will meet our acceptance criteria and begin accessing our services.

To remain relevant and deliver professional care and support for the next 30 years and beyond, it is vital that we continue to invest in our facilities, our people, and the development of services that meet the changing landscape of children's palliative care.

Statutory funding remains a vital, yet limited, source of income for children's hospices. We are very grateful to the UK and Welsh governments and NHS organisations for their support. Statutory funding represents just 13% of our total income, around half the proportion received by adult hospices. The recent increase in employer's National Insurance contributions, announced in the autumn 2024 budget, has added an additional burden of approximately £240,000 annually. We will continue to collaborate with sector partners to advocate for increased funding for all children's hospices in England and Wales.

Hope House Children's Hospices enjoys extraordinary public support. I am extremely grateful to everyone who donates their time, energy and creativity to fundraise for us - and to all the donors who support them. It is truly humbling to witness the incredible efforts of individuals across our community who push themselves to their limits to raise money for our cause. With this support comes profound responsibility to steward our resources wisely and ensure our impact and the public benefit of our work is as effective as it can be. I am proud to report that 84p of every £1 we spend is spent directly on delivering our charitable purpose.

Despite challenging trading conditions in our shops our total income increased by 10% on the previous year to a staggering £13.4m. Whilst total expenditure reached £13.6m, investment income enabled us to achieve a small surplus. Encouragingly, we have seen a strong performance so far in 2025. Looking ahead, we remain focused on reaching every child from diagnosis; providing the professional care and support they need, and raising the money required to do so. With your continued help, I am confident that we can grow and deliver even more care to those who need it.

During the year, we also undertook a comprehensive review of our pay and benefits policy to ensure we remain competitive and can attract and retain talented people to our team. We continue to invest in relevant training and development to ensure that our staff have the skills and competencies required.

Today, we are supported by over 740 active volunteers, a 21% increase on the year in review. Their contribution equates to over £1m/pa in comparative wage value with more than 70,000 hours donated in 2024 alone. Without the support of our volunteers, we simply could not deliver all of our services. Thank you, to each and every volunteer, for your tireless commitment and enthusiasm.

LETTER FROM THE CHAIR OF TRUSTEES (CONTINUED)

Finally, I would like to thank our Board of Trustees; our dedicated staff and our incredible volunteers for their continued commitment and passionate support for the cause. I also extend heartfelt thanks to everyone who fundraises, donates, visits our shops, plays our lottery, or supports us in countless other ways. There are far too many to mention individually, but please know we are very grateful to you all.



Steve Henly
Chair of Trustees
26th June 2025

OBJECTIVES AND ACTIVITIES

Headlines	
Our vision is a world where every child with a life-threatening condition and their family has 24/7 access to expertise, help and understanding from the point of diagnosis. 259 children with a life-threatening condition were registered with us at the end of 2024. Expenditure relating to the delivery of care services in 2024 was £8.7 million which represents 83% of total charitable expenditure. Approximately 13% of total income came from statutory sources.	
Service users	Service numbers
Children and young people with conditions so serious that they are likely to die before they reach early adulthood. Family bereaved from the death of a child. Resident in Mid and North Wales, Shropshire, Telford & Wrekin and Cheshire. Approximately 58% of the children are resident in Wales and 42% in England. Approximately 54% of children (total including neonates) have irreversible but non-progressive conditions causing severe disability leading to susceptibility to health complications and likelihood of premature death.	127 new referrals in the year. 89 were accepted. As of December 2024, we had open cases with 259 CYPs. 301 family members received counselling and bereavement support. 169 children stayed with us at Hope House and Tŷ Gobaith receiving 2,458 nights of planned respite care and 299 nights of crisis and emergency (unplanned) care; a 10% decrease from 2023. Sadly, 33 children who received support from us died during the year.
Income	Expenditure
Income from statutory bodies (NHS and local authorities) £1.80 million Lottery and Trading income £5.31 million Fundraising including legacies: £6.1 million	Care expenditure: £8.74 million. Fundraising expenditure £1.65 million Lottery and Trading: £3.27 million
Number of staff: 286	Number of active volunteers: 614

In 2024, we launched our revised our purpose, mission, and values, ensuring they truly reflect the needs of the children and families we serve.

OUR MISSION



Throughout 2024 the charity aligned behind our new purpose putting it foremost when considering investment, activity and service planning.

Public Benefit Statement

The trustees confirm they have complied with their duty under the Charities Act 2011 to have due regard to the Charity Commission's guidance on public benefit, and our activities are carried out to further our charitable purposes and deliver measurable public benefit, by providing hospice care, respite, counselling and bereavement support to children and families. In 2024 we supported almost 700 individuals.

GOVERNANCE STRUCTURE AND MANAGEMENT OF HOPE HOUSE CHILDREN'S HOSPICES

Governing Documents and Legalities

Hope House Children's Hospices is a registered charity, number 1003859 and a company limited by guarantee, incorporated under the Companies Act 1985, number 2588103.

The objects of the Charity are to relieve the need of:

(a) babies, children and young people with life-threatening, life limited and terminal conditions and their families, who are residing in and around Shropshire, Cheshire, North and Mid Wales, in particular, but not exclusively, by providing:

- (i) respite care and symptom management;
- (ii) crisis, palliative and end of life care and support;
- (iii) psycho-social support, including counselling and wellbeing support for the children and young people and their families;
- (iv) death and bereavement services for their families; and

(b) the families of babies, children and young people who have died in other circumstances through bereavement support

Appointment of trustees

Our Board of Trustees is elected under our governing document. Trustees give their time voluntarily, receive no financial benefits, and bring a wide range of skills and experience. In 2024, we refreshed our trustee body with new appointments and continued to strengthen governance through annual appraisals and training.

The Members of Association have considered and determined not to set a maximum number of terms of office that a trustee may serve as it is felt a mix of experienced and new trustees gives the Board balance. Imposing a maximum number of terms a trustee can serve would unnecessarily cause the loss of skills, knowledge and experience and risk the loss of institutional memory, continuity, and ability to exercise effective governance.

In 2025 the Board, committee and governance structure will be reviewed as part of the programme to align the charity behind the new purpose. Following that review, a trustee recruitment exercise will be undertaken to bring in new trustees who share the charity's purpose and bring complimentary skills and experience.

Trustee induction training and development

New trustees undergo an induction process to ensure that they can undertake their duties. During 2024, trustees completed training in the following subjects: -

Charitable purpose and governing documents	Risk management
Safeguarding children and vulnerable adults including deprivation of liberties	Conflict of Interest and loyalty
Equality and diversity	Data protection
	Strategic budgeting and financial management

Trustees undertake an annual appraisal with the Chair of Trustees to identify areas of concern, interest and development.

Organisational structure and decision making

The Board of Trustees administers the charity and meets quarterly. The Board has established a specialist committee structure to provide an efficient mechanism for discharging corporate and charitable governance responsibilities. The committees in place during 2024 were:

Clinical Governance	Audit and Risk
Income and Investment	HR and Remuneration

A Chief Executive Officer is appointed by the Trustees to manage the day-to-day operations of the charity. To facilitate effective operations, the Chief Executive has delegated authority for all operational matters, within the terms approved by the Trustees.

Related Parties

Hope House (Trading) Ltd. and Hope House (Lottery) Ltd. are wholly owned subsidiaries of Hope House Children's Hospices and are consolidated as part of the charity's accounts. Hope House (Trading) Ltd sells merchandise and Hope House (Lottery) Ltd runs the weekly lottery and regular raffles.

Trustees represent the charity on the subsidiary Board of Hope House (Lottery) Ltd and the Chief Executive and Director of Finance, People and Resources on the subsidiary Board of Hope House (Trading) Ltd.

PRINCIPAL RISKS

The trustees have assessed the major risks to which the charity is exposed. Board reassurance is provided by the Audit and Risk committee which considers the highest strategic risks annually with continuous monitoring.

Critical and high risks to delivering the charitable purpose that were faced by Hope House Children's Hospices at the start of 2024

Potential Risk	Why it matters
The charity lacks direction, strategy and forward planning.	Our current charitable purpose is very broad, leading to spreading our resources too thin and creating competing priorities.
Trustee body lacks relevant skills or commitment.	The retirement of a number of trustees has reduced the collective experience of the trustees and recruiting trustees with some skills (such as paediatric nursing or medicine) remains challenging.
It is unknown if the services currently provided best meet beneficiaries needs.	There are children with life limiting conditions who do not access our services and we do not necessarily know their needs. There appears to be communities that are underrepresented as beneficiaries and we do not know if our services meet their needs.
Insufficient income to meet planned expenditure.	A deficit budgets was planned for 2024, but current position is resilient due to surplus reserves. However, unless long term income can increase in line with increased service costs then services could need to be reduced, impacting families and staff job security.
Significant reduction or loss of statutory sector funding.	Statutory funding accounts for around 13% of annual income and therefore the impact would be significant if this was lost, potentially leading to reduction in service and staff redundancies, with impact on morale and reputation.

Throughout the year, risks and the effectiveness of mitigation measures are monitored, and any new risks identified. At the end of 2024, the following potential risks were identified as falling above the charity's risk appetite.

Critical and high organisational risks entering 2025

Potential Risk	Why it matters	Mitigation
Trustee body lacks relevant skills or commitment.	An engaged and diverse board strengthens the charity's leadership, decision-making, and public trust by bringing varied perspectives, lived experiences, and active commitment to its mission and governance.	The Chief Executive and Chair of Trustees are reviewing the Board Governance structures and trustee obligations and following consultation with existing trustees will report to the Board on new arrangements in March 2025, including proposals for trustee recruitment.
Insufficient income to meet planned expenditure.	A deficit budget has been set for 2025 with costs substantially impacted by the change in National Insurance contributions and the significant increase in National Living Wage.	Some of the increased costs have been offset by investment to increase income and cost savings. Reserves will be used to meet any short term deficit whilst steps are taken to increase income and reduce costs as necessary to ensure a longer term balanced budget and to avoid depleting reserves to unsustainable levels.
Significant reduction or loss of statutory sector funding.	In 2024 the charity received over £1.8million in statutory sector funding by way of grants and service level agreements. Most of these agreements are annual and whether they will continue, in what form or what value is uncertain. The impact if this funding was lost or significantly reduced would be significant, potentially leading to reduction in service and staff redundancies, with impact on morale and reputation.	We continue, along with Hospice UK and TFSL to seek to influence legislators, civil servants and the NHS to secure the future of these important funding streams and where possible uplift the value.
Inappropriate reserves held (too high).	We will enter 2025 reserves in excess of those stipulated by the Reserves Policy. Holding reserves above policy can expose the charity to reputational risk, reduce fundraising effectiveness, and suggest a failure to deploy resources to deliver the charitable objects.	Some of the risk of holding reserves in excess of policy has been mitigated by the decision of the Board in December 2023 to designate three additional funds and expenditure against these funds will continue to deplete reserves in 2025. Additionally, the current reserves policy is scheduled for review at the end of 2025 and given the significant increase in income since 2022, a corresponding increase in the minimum reserves required is likely. This would further reduce the surplus.

STRATEGIC REVIEW

Our Staff and Volunteers

Our staff

Our staff are a critical element of the success of Hope House Children’s Hospice. More to the point, what they bring to work is the single most important component of our success, however we measure it. You can see, hear, and feel it every day across all areas of the charity.

In 2024 we held our biannual staff conference where we launched our new mission and gave colleagues an opportunity to connect with the purpose and each other. 225 staff attended and the feedback was overwhelmingly positive.

“This year’s Staff Conference was again, amazing. It was informative, insightful and comical. A great day for connecting with everyone. Maybe an instance of Team Building while sat at our tables but all-in-all, a brilliant day.”

“Overall fabulous day and lucky to work for an employer that cares and shares!”

“What an absolutely brilliant day. It was a ‘Tent Full of Passion’ to the cause.”

Staff numbers in 2024 vs 2023 by department

Department	2024		2023	
	Total permanent and temp staff	% of staff compliant	Total permanent and temp staff	% of staff compliant
Care	151	53%	144	55%
Retail	69	24%	59	22%
Fundraising (incl Lottery)	31	11%	29	11%
Support	35	12%	32	12%
Grand Total	286		264	

Disability Confident Employer

Hope House Children’s Hospices is a Level 2 Disability Confident Employer registered with the Department of Work and Pensions. Disability Confident Employers are recognised as going the extra mile to make sure disabled people get a fair chance.

Gender Pay Gap

Every year the charity publishes its annual gender pay gap report. The gender pay gap is a measure of the difference between men’s and women’s average earnings across an organisation or the labour market. The table below shows the gender pay gap for Hope House Children’s Hospices based on data from the 5th of April each year.

	2020	2021	2022	2023	2024
Mean gender pay gap	+9.39%	+14.99%	+11.5%	+14.97%	+5.69%

The mean gender pay gap for the whole UK economy (according to the Office for National Statistics (ONS) 2024 Annual Survey of Hours and Earnings (ASHE) figures) was 13.8%. At 5.69% Hope House Children’s Hospices results showed a mean gender pay gap at less than half than that for the whole economy.

The ongoing difference between the mean pay for men and women arises from the roles in which men and women work within the organisation and the salaries that these roles attract. Hope House Children’s Hospices is therefore confident that a gender pay gap as defined by the Equality Act does not exist at Hope House Children’s Hospices and that any gender pay gap does not stem from paying men and women differently for the same or equivalent work.

Despite men being more likely to be employed in more senior roles commanding higher salaries than women generally in the UK, this is not the case at Hope House Children’s Hospices with around 50% of the women employed by Hope House Children’s Hospices earning within the higher pay quartiles (43% in 2023).

Pay Policy for Senior Staff

How the salaries of Key Management Personnel are determined is set out in policy and determined by the Board of Trustees.

STRATEGIC REVIEW (CONTINUED)

In order to recruit and retain high calibre staff, the trustees recognise that the remuneration package offered must be competitive whilst reflecting the motivation of working for a charity and the values of the organisation. They therefore seek to ensure salaries are competitive but do not exceed those paid in comparable jobs in non-charitable organisations.

Volunteers

In addition to paid staff the charity was supported by volunteers who are active in many roles across the charity, including the trustees who give their time voluntarily.

The contribution made by our many dedicated volunteers and the considerable hours worked cannot be overstated. They help the charity have a much greater impact than could otherwise be achieved, through governance, raising money, providing care and support to children and families, and by acting as ambassadors.

Number, hours and 'salary saving' given by volunteers

Location	Number of individuals		Total annual volunteer hours		Annual wage 'saving'	
	2024	2023	2024	2023	2024	2023
Tŷ Gobaith	5	7	684	1,538	£9,234	£20,168
Hope House	29	25	2,854	3,175	£35,962	£39,223
Shops	359	386	64,031	77,180	£732,515	£841,260
Fundraising/ Friends	212	185	1,874	1,495	£26,536	£16,296
Trustees	9	11	721	651	£105,446	£105,446
Grand Total	614	614	70,164	84,039	£909,692	£1,022,393

ACTIVITIES FOR ACHIEVING OUR OBJECTIVES

In 2024, we supported 259 children and young people with life-limiting conditions, along with 301 family members. Behind these numbers are families who told us that our care and support are a "lifeline".

Care was provided at Hope House in Morda near Oswestry, Shropshire and Tŷ Gobaith in Conwy, North Wales, at home and in the community.

Bereavement support was provided to any family after the death of their child - whether or not we had previously cared for them.

To fund the provision of care the charity received funding from statutory sources and raised funds by donations, through the sale of donated goods and by the operation of the subsidiary trading companies, one that sold new goods for the benefit of the charity and the other that operated our lottery.

Our care services and support.

How we helped children and their families - In numbers

259 children and young people registered with us

127 new referrals received, 89 accepted

301 family members received counselling and bereavement support

132 brothers and sisters registered for services

169 children received 2,458 nights of planned respite care and 299 nights of emergency/crisis care

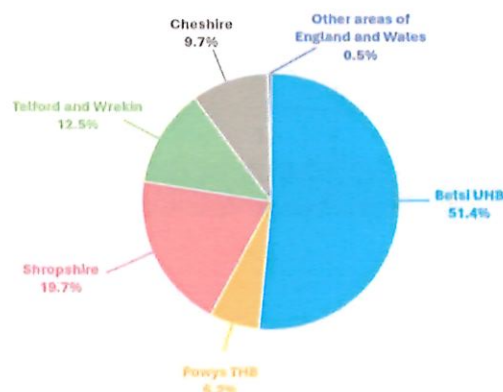
33 children known to us died during the year, 2 at our hospices

206 families received practical support, including home visits

Catchment Area

Hope House Children's Hospices supports children and families' resident in Shropshire, Cheshire, North and Mid Wales. 57% of children registered were resident in Wales and 43% in England. As in previous years the largest number of children are resident in the Betsi Cadwalader University Health Board area (North Wales) followed closely by the 32% resident in the Shropshire, Telford and Wrekin Integrated Care Board Area.

In 2023, Project Wheatsheaf was established to increase the number of children in Cheshire supported. As a result of this project, the proportion of registered children has increased from 3% in 2023 to 9.7% by the end of 2024.



Reach

Based on the most recent Office for National Statistics data, within our catchment area we support a population of around 2,106,362 with a child population of 431,338. Applying the prevalence data from the most recent research, it would suggest that there are approximately 2,564 children with LTCs in our catchment.

As of December 2024, 259 children were registered with us which equates to an estimated 10.1% of children with LTC's within our catchment area although this varies up to over 20% in some communities. Not all children identified in the research will need or want hospice services however, understanding need, removing barriers and increasing reach are priorities going forward.

ACTIVITIES FOR ACHIEVING OUR OBJECTIVES (CONTINUED)

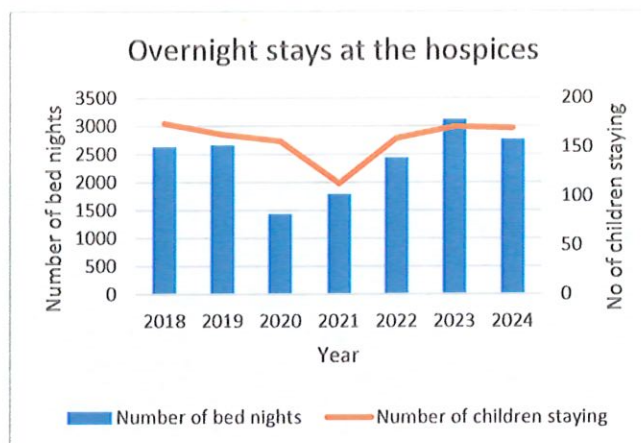
Age range for support

We support children and young people with life limiting conditions from 24 weeks gestation until their 18th Birthday. Transition support continues for another 12 months.

Hospice Care

Hope House Children's Hospices operates two hospices, Hope House in Morda near Oswestry, Shropshire and Tŷ Gobaith in Conwy, North Wales.

Families tell us that they rely on the hospice for overnight respite and it is the most important service that we offer, giving parent carers a break from the intense care that many children with life-limiting conditions require and care, experiences and opportunities for children that improve their quality of life.



During 2024, the number of children staying at the hospices and the number of overnight stays fell as we discharged young adults from the service. The average nights per child was 16.3 nights.

Continuing to optimise occupancy of the hospice for respite stays is a priority in 2025.

Deaths and end-of-life

Over the last 12 months we continued to prioritise end of life care, where possible giving choice of where a child died, whether that be at home, in the hospice or in hospital. This included enabling critically ill babies and children to be transferred out of the neonatal and critical care units to their preferred place of death (hospice or home).

33 children we provided support for sadly died in 2024 including 2 who died at one of our hospices. Prevalence estimates suggest these 33 children made up 56% of children with LTCs expected to die in 2024 within our catchment area.

Complex care and symptom control

Our specialist Paediatric Palliative Care Consultant appointed jointly with Betsi Cadwaladr Health University Health Board, developed our specialist medical support for children in North and Mid Wales, including out of hours and at the hospices. Unfortunately, plans to provide similar support to children resident in Shropshire and Telford and Wrekin did not materialise and we are continuing to work with NHS and neighbouring children's hospice colleagues to find a way to deliver this service.

Parent and family support

In 2024 we provided counselling to parents whose child had died in any circumstance within the last five years through a team of contracted and directly employed counsellors.

Following successful trials, in 2024 we rolled out a programme of family activity and fun days at both hospices throughout the year. These events brought fun and laughter for the whole family and quality moments. They were also an opportunity for families to connect and to build informal networks of support. Feedback from families has been overwhelmingly positive and the following positive impact was achieved. These events will continue and develop in 2025 in harness with plans to improve and enhance the hospice gardens.



In 2024, as part of our work to align our services with our purpose we completed a review of our Sibling Support service and activities. As a result, in 2025 we will launch a new Family Support service with Family Support Workers providing support for the whole family; mums, dads, brothers, sisters and grandparents, individually and collectively. They will work with families to identify the support that they themselves feel they need.

OUR IMPACT

Service users, families and carers offer a vital perspective on the impact of the services offered by the charity. We are therefore committed to engage and involve service users, families and carers in decisions, actions, and activities to ensure they remain at the heart of everything we do.

During 2024, we received 171 responses via our complaints, concerns and compliments system. 96% of the feedback we received was positive. (98% in 2023).

Here is a small sample of the positive feedback received.

Mum had said she was able to sit with her daughter whilst they both had their lunch, with her being pain free and relaxed. Today after 3 years of struggling that dream came true. Thanks for all that you do.

Just a quick note to thank everyone for making our first visit to Ty Gobaith so special. We all really enjoyed it and we feel she coped very well considering that this was the first time she's stayed away from home and let someone else look after her. She was in very safe hands and everyone did their best for her. We were also spoilt so thank you everyone. Please pass on our thanks to all the staff. We're already looking forward to coming back.

Amazing support received from neonates team, very grateful to have Hope House helping during one of the worst times of her life and how amazing everyone is at Hope House

Taking the time needed to really get to know our daughter, to understand how she presents and to keep trying to give her and us a better quality of life. Nothing is too much trouble and feel so understood in the reality of daily life." "Actively listen, care, research and co-ordinate support". "Listening to concerns, taking them on and putting a plan in place quickly.

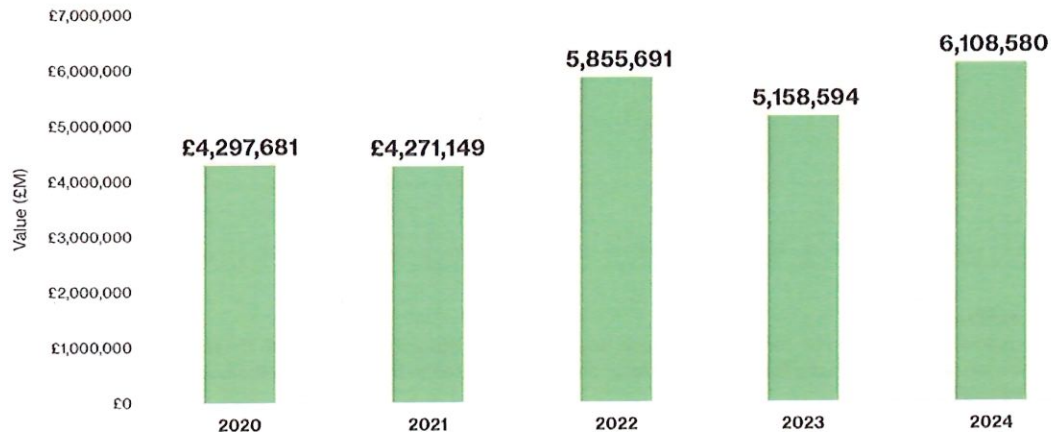
Complaints

We received 1 complaint and 4 negative comments regarding care during the year. The main reason for concern was the reduction in the upper age range for our clinical support from 25 to 18. The complaint was partially upheld and action taken and the negative feedback was used to review and inform improvements.

OUR FUNDRAISING

2024 was our 30th year of providing care and support and throughout that period the charity has relied on our extraordinary supporters and their unfaltering support. We are eternally grateful to all those who continued to donate to us and to raise money so that we can help every local child with a life threatening condition live their best life.

In 2024 we raised £6.1 million from donations and legacies compared to £5.16 million in 2023. The chart below shows total fundraising income for the last 5 years. The drop in income in 2020 and 2021 due to the pandemic can be seen, however 2022 shows a dramatic recovery with the growth continuing in 2024.



2024 had notable fundraising successes including:

Llangollen Canal Walk saw 500 participants join the event and over £30,000 raised.

The Annual Track Day event raised the most ever in its 8 year history at £103,335

Over 100 runners took part in Cardiff Half Marathon thanks to support from Principality Building Society raising a total of £63,443
Raffle mailings raised over £110,000 at Christmas 2024.

Our Quality Moments Matter matched giving campaign raised £496,759: this was generated by 26 matchers, 143 champions and approximately 2,772 donors.

Retail contribution

During 2024 we operated 15 shops and an online and mail order shop. We relocated our shop in Oswestry in April to a flag ship new store and we closed our shop in Denbigh in June.

Hope House Lottery

The Hope House weekly lottery is run in conjunction with our partner Sterling Lotteries who draw the winning numbers every Friday (www.sterlinglotteries.co.uk). The Hope House Lottery belongs to the member group HLA (www.hospicelotteries.co.uk). We adhere to the Gambling Commission regulations including contributing to begambleaware each year.

During the year we contracted with face-to-face canvassing agencies and individuals to recruit new supporters to the lottery through a combination of residential door to door recruitment and at venues.

Our lottery has grown from strength to strength over the last 10 years and we ended 2024 with a total of 30,525 lottery players and a total of 37,0084 tickets sold in the last draw of the year. Compared to 2023 this is an additional 1,426 active lottery players at year end.

Our future strategy is to maintain player numbers through recruitment and a focus on player engagement to reduce cancellations and maintaining profitability.

OUR FUNDRAISING (CONTINUED)

Year-end Lottery lines 2014-2024



Our fundraising standards

Donors, supporters and volunteers can be confident that Hope House Children's Hospices complies with the regulatory standards for fundraising. We are registered with the Fundraising Regulator and are committed to the Fundraising Promise and adherence to the Code of Fundraising Practice.

Our reputation with those who need our services and to those who kindly donate to us is paramount. We therefore make the following promises to those who so kindly support us:

We comply with all relevant law, regulations and codes of practice and ensure that those who are contracted to work with us understand and adhere to them in their entirety. We regularly monitor performance and have robust contracts in place to ensure compliance.

We treat the information supporters provide with the utmost respect and use it only for the purposes for which it has been given.

Supporters can change their preferences at any time, and we aim to implement those changes within 2 working days.

We have a comprehensive vulnerable people's policy that is regularly reviewed and updated as required.

We respect and value all contributions to the charity and will never do any fundraising activity that may undermine our core values or integrity.

We sometimes engage the services of third parties to help us deliver the fundraising objectives, particularly where we do not have the expertise in house. We have safeguards in place when working with suppliers to protect our supporters and the reputation of our charity. We aim to ensure those agencies we employ also observe the highest standards in terms of fundraising practice. We manage and monitor the work undertaken on our behalf and have robust contracts in place to ensure that all activities are carried out to our high standards.

We are signed up to the Fundraising Preference Service to enable individuals to opt out from receiving fundraising communications from us.

Listening to supporters and addressing complaints

We take feedback seriously and although we strive to receive no complaints, when we did, these were prioritised and investigated, fully, quickly and fairly. Where a complaint was upheld we learnt from our mistake and put in effective measures to limit further distress or complaints of the same nature. Our website outlines our complaints policy and clearly explains how an individual can complain.

The following complaints were received in 2024 regarding our fundraising activity.

- Retail: 8 complaints – 6 upheld and action taken.
- Fundraising including Lottery: 10 complaints – 1 upheld and action taken.

Given the level of activity and volume of transactions, the level of complaints remains very low. We received no complaints or notifications via the Fundraising Regulator.

OUR PLANS FOR THE FUTURE

During 2025 we will focus on aligning the charity behind our new purpose and, in particular, delivering the following outcomes.

Providing professional care and support

1. Improved assessment of the needs of children and families and the identification and removal of barriers to service access.
2. Specifications and operating models for Care services aligned to the purpose.
3. A framework for engaging the views of service users and incorporating feedback into decision making and change.
4. Safe, Inclusive, and impactful physical environments for the delivery of Care services.

Reaching every child from diagnosis

5. A confirmed catchment area for both proactive and reactive activity, and a clear understanding of service user need and the support available throughout.
6. Greater influence on clinical professionals to integrate hospice support into care pathways from the point of diagnosis.
7. An increase in the number of honest, effective, and timely conversations with families which lead to informed choice about accessing support.
8. More timely processing of new referrals and effective communication and support for families during the referral process.

Raising the money

9. An integrated income generation strategy (including statutory income) aligned with service priorities and purpose messaging.
10. Improved mechanisms for delivering best value, including monitoring returns on investment and understanding the impact of funded roles.

A well-run organisation

11. An engaged and valued workforce with the skills and knowledge to deliver the purpose, and behaviours reflecting the organisational values.
12. A robust and fit-for-purpose approach to pay and performance review.
13. Governance structures aligned to purpose including board activity, change methodology, procurement practices and information governance.

FINANCIAL REVIEW

The charity is financially stable, with strong reserves and a dependable supporter base. Several years of surplus have put the charity in a sound financial position, able to invest in service growth and income generation.

Financial performance in 2024 significantly exceeded expectations and the receipt of an unbudgeted grant from Welsh Government at the end of the year turned a budget deficit into a small surplus.

Income

Total income in 2024 was £13.4million (£12.2m 2023).

Income from donations and legacies was £6.1million, an increase 18% from 2023.

Our shops made a lower contribution to the charity during 2024 than in the previous year due to falling turnover, increased costs and the reduction in value of textile recycling income. Despite these difficult trading conditions, our shops made a net contribution to the charity of over £600K as well as providing an important presence across our catchment area. In 2024 a new interim retail plan was approved, focussing on stabilising and maximising value before positioning for growth in 2025 and growing in 2026.

The Hope House Lottery remained a significant and reliable income source in 2024, making a net contribution to the charity of £1.4million.

Hope House Children's Hospices maintained strong relationships with healthcare commissioners, who invested in the services we delivered to local children and families. During 2024 Hope House Children's Hospices received £1.8m in funding from statutory bodies towards service provision and capital expenditure. This represented 13% of income and 22% of charitable expenditure.

Whilst we are grateful to the UK and Welsh Governments and NHS organisations in England and Wales for the financial support provide, the funding falls short of the average funding for adult hospices and we continue to press the case for fair and sustainable funding for children's hospices.

Expenditure

Total expenditure in 2024 was £13.6 million an increase of c.£1 million from 2023 driven by increased salaries, inflation and increased services. Significant investment was made in care services, income generation, people development, and supporting infrastructure.

Charitable expenditure (excluding Trading and Lottery) was £10.35 million. £8.7 million of this was on charitable activities (84%), with the remaining £1.65 million on raising funds.)

Reserves policy

Hope House Children's Hospices hold financial reserves to safeguard the future of our care and support for children and families. Should our income not keep pace with costs over time, we may need to adjust the level of services we provide. If this becomes necessary, the trustees will plan any changes with great care to ensure that children and families continue to receive the greatest possible benefit in line with our charitable purpose.

Reserves are held for the following purposes:

To manage short term income shortfalls

Each income stream is assessed as to the likelihood and degree of an income shortfall. Reserves are held a level sufficient to ensure service continuity for 2 years if income falls short of forecast, whilst steps are taken to reduce costs.

To adjust costs to match income

Reserves are held to restructure costs in the event of income not meeting forecast. The money would primarily be used to meet the costs of reducing the workforce by up to 25%.

To provide for catastrophic events

Through a risk management process, we seek to rationalise, quantify and avoid events occurring and insure against those risks that cannot be removed. However, there is always the potential of an unforeseen catastrophic event occurring. It is impossible to quantify such an event but there is sense in holding reserves to mitigate impact or aid recovery should one occur.

Level of Reserves

For the period 2023 to 2025, reserves will be held at the levels below. If reserves fall below these levels then action will be taken to reduce costs within the following 12 months in accordance with agreed priorities, bringing expenditure and income into balance. The level of reserves and compliance with the policy will be considered by the Board of Trustees quarterly and the policy will be reviewed by December 2025.

FINANCIAL REVIEW (CONTINUED)

Purpose for which reserves are held	Minimum reserves at year end		
	2023	2024	2025
To manage income shortfalls	2,826,000	2,853,000	2,976,125
To adjust costs	1,000,000	1,000,000	1,000,000
To respond to a catastrophic event	350,000	350,000	350,000
Total	4,176,000	4,203,000	4,326,125

The level of reserves have been determined through a risk based reserves calculation that accounts for high levels of uncertainty over income offset by a fairly static cost base.

Following three years of significant surplus, reserves during 2023 were substantially above policy and in December 2023 the Board of Trustees establishment of three designated funds for the financial years 2023 - 2025.

Hospices Modernisation and Enhancement Fund - £1,000,000

Retail Growth & Development Fund - £500,000

Purpose & Impact Alignment Fund - £1,500,000.

Unlike the contingency designated funds (for which the reserves policy determines the minimum level that must be maintained), the three additional funds were designated with the specific intent to spend them. Designating funds in this way allowed the trustees to invest in pursuit of the charity's purpose and demonstrate to external funders and stakeholders why these funds are being held.

Investment policy

The investment portfolio is managed by the Income & Investment committee of the Board of Trustees. In general terms, the aim is to spread risk across several sectors as follows:

Cash in UK registered current, deposit and overnight bank accounts.

Shares traded on the London Stock Exchange and overseas.

Freehold and leasehold land.

Shares and other investments donated to the charity (after a full financial review of the investment at the next appropriate investment committee meeting).

Shares in subsidiary companies.

Unit trusts, open ended investment companies, trust companies and the like.

The Income and Investments committee is mindful of its key responsibility of keeping the finances of the charity secure and have therefore adopted a medium risk investment strategy. The committee engaged the services of Investec Wealth and Investment (subsequently Rathbones) and Parmenion Capital Partners to manage the charity's equity portfolio and received independent financial advice from Redbourne Wealth Management.

The performance of the Investment Manager and Portfolio was reviewed regularly by the Income and Investment committee and performance assessed against the Balanced Asset Benchmark produced by Asset Risk Consultants (ARC).

TRUSTEES' RESPONSIBILITIES STATEMENT

The trustees (who are also directors of Hope House Children's Hospices for the purposes of company law) are responsible for preparing the trustees' report (including the group director's and strategic report) and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS102);
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable group will continue in operation.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company and the group's transactions and disclose with reasonable accuracy at any time the financial position of the charitable group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

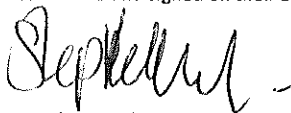
Disclosure of information to auditors

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

so far as that trustee is aware, there is no relevant audit information of which the charitable group's auditors are unaware, and

that trustee has taken all the steps that ought to have been taken as a trustee in order to be aware of any relevant audit information and to establish that the charitable group's auditors are aware of that information.

This report, incorporating the group strategic report, was approved by the trustees, in their capacity as company directors, on 26th June 2025 and signed on their behalf by:



Stephen Henly
Chair of Trustees

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS

Opinion

We have audited the financial statements of Hope House Children's Hospices (the 'charitable parent company') and its subsidiaries ('the group') for the year ended 31 December 2024 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group and the charitable parent company's affairs as at 31 December 2024 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the group and the charitable parent company 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 trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

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

Other Information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors 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.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether 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 the audit:

- the information given in the Strategic Report and the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Trustees has been prepared in accordance with applicable legal requirements.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS (CONTINUED)

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the charitable parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Report of the Trustees. We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of trustees

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

In preparing the financial statements, the trustees are responsible for assessing the group and the charitable parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group and the charitable parent company or to cease operations, or have no realistic alternative but to do so.

Our 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 a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience of the client's operating sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006, taxation legislation, employment, environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to their knowledge of actual, suspected and alleged fraud; and
- reviewing the client's system notes and internal controls.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS (CONTINUED)

- assessed whether judgements and assumptions made in determining the accounting estimates set out in note 3 were indicative of potential bias;

- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;

- enquiring of management as to actual and potential litigation and claims

- reviewing correspondence with HMRC.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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

Use of our report

This report is made solely to the group and the charitable parent 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 group and the charitable parent company's members those matters we are required to state to them in an auditors' 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 group and the charitable parent company and the group and the charitable parent company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Aled Davies FCCA (Senior Statutory Auditor)
for and on behalf of D.R.E. & CO (Audit) Limited
7 Lower Brook Street
Oswestry
Shropshire
SY11 2HG

26th June 2025

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2024**

	Notes	Unrestricted	Restricted	31.12.24 Total	31.12.23 Total
		funds £	fund £	funds £	funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	3	5,617,783	490,797	6,108,580	5,158,594
Charitable activities					
Charitable activities	4	9,457	1,794,487	1,803,944	1,648,919
Other trading activities	5	5,310,693	-	5,310,693	5,268,594
Investment income	6	187,367	-	187,367	188,735
Total		11,125,300	2,285,284	13,410,584	12,264,842
EXPENDITURE ON					
Raising funds	7	1,649,157	-	1,649,157	1,507,485
Trading activities	8	3,273,187	-	3,273,187	2,954,393
Charitable activities					
Charitable activities	9	6,743,815	1,994,596	8,738,411	8,172,688
Total		11,666,159	1,994,596	13,660,755	12,634,566
Net gains on investments	16	513,547	-	513,547	414,647
NET INCOME/(EXPENDITURE)		(27,312)	290,688	263,376	44,923
RECONCILIATION OF FUNDS					
Total funds brought forward	20	15,462,121	229,743	15,691,864	15,646,941
TOTAL FUNDS CARRIED FORWARD		15,434,811	520,431	15,955,242	15,691,864

All activities relate to continuing operations. The Statement of Financial Activities includes all gains and losses recognised in the year.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

**CONSOLIDATED BALANCE SHEET
FOR THE YEAR ENDED 31 DECEMBER 2024**

	Notes	Unrestricted funds £	Restricted fund £	31.12.24 Total funds £	31.12.23 Total funds £
FIXED ASSETS					
Tangible assets	14	5,053,975	407,185	5,461,160	4,811,226
Investment property	15	409,999	-	409,999	409,999
Investments	16	7,249,536	-	7,249,536	7,712,316
		12,713,510	407,185	13,120,695	12,940,541
CURRENT ASSETS					
Stocks	17	19,814	-	19,814	19,514
Debtors	18	2,647,317	-	2,647,317	1,866,827
Cash at bank and in hand		887,326	113,246	1,000,572	1,663,988
		3,554,457	113,246	3,667,703	3,550,329
CREDITORS					
Amounts falling due within one year	19	(833,156)	-	(833,156)	(799,006)
NET CURRENT ASSETS		2,721,301	113,246	2,834,547	2,751,323
TOTAL ASSETS LESS CURRENT LIABILITIES		15,434,811	520,431	15,955,242	15,691,864
NET ASSETS		15,434,811	520,431	15,955,242	15,691,864
FUNDS	20				
Unrestricted funds				15,434,811	15,462,121
Restricted funds				520,431	229,743
TOTAL FUNDS				15,955,242	15,691,864

The financial statements were approved by the trustees on 26th June 2025 and signed on their behalf by:



Stephen R Henly

**CHARITY BALANCE SHEET
FOR THE YEAR ENDED 31 DECEMBER 2024**

		Unrestricted funds £	Restricted fund £	31.12.24 Total funds £	31.12.23 Total funds £
FIXED ASSETS					
Tangible assets	14	5,053,975	407,185	5,461,160	4,811,226
Investment property	15	409,999	-	409,999	409,999
Investments	16	7,249,540	-	7,249,540	7,719,316
		12,713,514	407,185	13,120,699	12,940,541
CURRENT ASSETS					
Stocks	17	-	-	-	18,274
Debtors	18	2,647,317	-	2,647,317	2,011,478
Cash at bank and in hand		762,498	113,246	875,744	1,350,151
		3,409,815	113,246	3,523,061	3,379,903
CREDITORS					
Amounts falling due within one year	19	(694,950)	-	(694,950)	(635,015)
		2,714,865	113,246	2,828,111	2,744,887
NET CURRENT ASSETS					
		15,428,379	520,431	15,948,810	15,685,432
TOTAL ASSETS LESS CURRENT LIABILITIES					
		15,428,379	520,431	15,948,810	15,685,432
NET ASSETS					
		15,428,379	520,431	15,948,810	15,685,432
FUNDS					
Unrestricted funds	20			15,428,379	15,455,689
Restricted funds				520,431	229,743
				15,948,810	15,685,432
TOTAL FUNDS					
				15,948,810	15,685,432

The financial statements were approved by the trustees on 26th June 2025 and signed on their behalf by:



Stephen R Henly

**CONSOLIDATED STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED 31 DECEMBER 2024**

		31.12.24	31.12.23
		£	£
Cash flows from operating activities	CF1		
Cash generated from operations		(727,602)	545,239
Interest paid		(39,251)	-
Net cash provided by operating activities		(766,853)	545,239
Cash flows from investing activities			
Purchase of tangible fixed assets		(1,067,259)	(329,242)
Purchase of fixed asset investments		(1,013,432)	(1,000,000)
Sale of fixed asset investments		1,991,380	-
Interest received		187,367	-
Movement on cash account		5,379	-
Net cash used in investing activities		103,435	(1,329,242)
Change in cash and cash equivalents in the reporting period		(663,416)	(784,003)
Cash and cash equivalents at the beginning of the reporting period	CF2	1,663,988	2,447,991
Cash and cash equivalents at the end of the reporting period	CF2	<u>1,000,572</u>	<u>1,663,988</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

CF 1 RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	31.12.24	31.12.23
	£	£
Net income for the reporting period (as per the Statement of Financial Activities)	263,376	44,923
Adjustments for:		
Depreciation charges	417,325	390,809
Income from investments	(185,928)	(188,735)
Investment management fees	39,251	37,462
Gain on investments	(513,547)	(348,883)
Revaluation of investment property	-	(65,764)
Interest received	(1,439)	-
Increase in stocks	(300)	(5,441)
(Increase)/decrease in debtors	(780,490)	541,759
Increase in creditors	34,150	139,109
Net cash (consumed) / provided by operations	<u>(727,602)</u>	<u>545,239</u>

CF 2 ANALYSIS OF CHANGES IN NET FUNDS

	At 01.01.24	Cash Flow	At 31.12.24
	£	£	£
Cash at bank and in hand	1,663,988	(663,416)	1,000,572
Total cash and cash equivalents	<u>1,663,988</u>	<u>(663,416)</u>	<u>1,000,572</u>

1. ACCOUNTING POLICIES

Charity information

Hope House Children's Hospices is a registered charity and private company limited by guarantee incorporated in England and Wales. The registered office is Nant Lane, Morda, Oswestry SY10 9BX.

The group consists of Hope House Children's Hospices and all of its subsidiaries.

The charitable company's financial statements have been prepared in compliance with the Charities SORP (FRS 102) issued 1 January 2015 (update bulletin 2, effective 1 January 2019).

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's governing document, the Companies Act 2006 and "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)" (as amended for accounting periods commencing from 1 January 2019). The charitable company is a Public Benefit Entity as defined by FRS 102. The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain financial instruments at fair value. The principal accounting policies adopted are set out below.

The charitable company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The charity has therefore taken advantage of exemptions from the following disclosure requirements for parent company information presented within the consolidated financial statements:

- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues': Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

1.2 Basis of consolidation

The consolidated financial statements incorporate those of Hope House Children's Hospices and all of its subsidiaries (i.e. entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits) on a line-by-line basis. All financial statements are made up to 31 December 2024.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

1.3 Preparation of the accounts on a going concern basis

The trustees have considered the future trading of the charitable company and the group and have prepared cash flow forecasts for a period of 12 months from the date of these financial statements.

At the time of approving the financial statements, the trustees have a reasonable expectation that the

charitable company and group have adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.4 Incoming resources

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

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution.

Where legacies have been notified to charities or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Income from charitable activities is grant income received from statutory bodies, this is recognised when the charity has entitlement to the funds, any performance conditions have been met and the amount can be reliably measured.

1.5 Donated services and facilities

Donated professional services and donated facilities are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item is probable and the economic benefit can be measured reliably.

In accordance with the Charities SORP (FRS102), the general volunteer time is not recognised, refer to the trustees' annual report for more information about their contribution.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

1.6 Interest receivable

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

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation. Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

1.7 Fund accounting

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

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

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

Investment income, gains and losses are allocated to the appropriate fund when specified by the donor or when funds are raised for particular restricted purposes.

1.8 Expenditure

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

- Costs of raising funds comprises fundraising costs incurred in seeking donations, grants and legacies, costs of fundraising activities including the costs of commercial trading, shop trading and the lottery and their associated support costs.

- Expenditure on charitable activities includes the cost of providing care and associated support.

1.9 Allocation of support costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include head office costs, finance, personnel, payroll and governance costs and also include project management carried out centrally. Governance costs are those incurred in connection with administration of the charity and compliance with constitutional and statutory requirements.

1.10 Operating leases

The charity classifies the lease of shop premises and vehicles as operating leases. Rentals under operating leases are charged on a straight line basis over the term of the lease.

1.11 Tangible fixed assets

Individual fixed assets costing £1,000 or more were capitalised at cost in the year including any incidental expenses of acquisition.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold buildings - 40 years straight line
Freehold land - not provided
Plant and machinery - 4 – 10 years straight line
Motor vehicles - 5 – 10 years straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

1.12 Investment Property

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. Changes in fair value are recognised in profit or loss and transferred to a non-distributable profit reserve.

1.13 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Transaction costs are expensed as incurred. Changes in fair value are recognised in the statement of financial activities throughout the year.

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

1.14 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

1.15 Debtors

Debtors are recognised at the settlement amount due after any trade discounts offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.16 Cash at bank and in hand

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

1.17 Creditors and provisions

Creditors and provisions are recognised where 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. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

1.18 Pensions

The group and charity operates a defined contribution pension scheme and the pension charge represents the amounts payable by the group and charity to the fund in respect of the year.

1.19 Financial Instruments

The charitable company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charitable company's balance sheet when the charitable company becomes party to the contractual provisions of the instrument. Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method. Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as noncurrent liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charitable company's contractual obligations expire or are discharged or cancelled.

1.20 Critical accounting estimates and judgements

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

Determining residual values and useful economic lives of tangible fixed assets

The group depreciates tangible assets over their estimated useful lives based on historic performance. The actual lives can vary.

Recognition of legacy income

The group recognises receipt of a legacy when the receipt is probable, the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. This can often be several months before the actual receipt which can vary.

2 LEGAL STATUS

The charity is a company limited by guarantee. The members of the company are the trustees named on page 1. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

3 INCOME FROM DONATIONS AND LEGACIES

	2024	2024	2024	2023
	Unrestricted	Restricted	Total funds	Total funds
	funds	funds		
	£	£	£	£
Other income	59,398	-	59,398	48,828
Donations	2,666,136	490,797	3,156,933	3,071,246
Gift aid	325,478	-	325,478	304,518
Legacies	2,566,771	-	2,566,771	1,734,002
	5,617,783	490,797	6,108,580	5,158,594

Incoming resources from non-exchange transactions

Donated goods and facilities for which there was no income recorded were received to a value of £42,262 (2023: £80,582). No conditions were attached to these donations.

In addition to paid staff, the charity was supported by 614 (2023: 614) active volunteers during the year. As a result, in 2024 volunteers provided 70,164 hours (2023: 84,039 hours) of volunteering worth equivalent of £909,692 (2023: £1,022,393) in salary costs.

4 INCOME FROM CHARITABLE ACTIVITIES

		31.12.24	31.12.23
	Activity	£	£
Grants	Charitable activities	1,803,944	1,648,919

Grants received, included in the above, are as follows:

	31.12.24	31.12.23
	£	£
English CCG grants	320,181	318,247
NHS England grant	381,353	307,240
Welsh LHB grants	592,543	214,956
Other	1,209	-
NHS/WHA - Pensions	82,034	80,256
NHS Wales - Hospice funding	426,624	426,624
Southampton Hospital	-	301,596
	1,803,944	1,648,919

5 INCOME FROM TRADING ACTIVITIES

	2024	2024	2024	2023
	Unrestricted	Restricted	Total funds	Total funds
	funds	funds		
	£	£	£	£
Hope House (Trading) Limited	110,654	-	110,654	85,114
Hope House (Lottery) Limited	2,069,677	-	2,069,677	2,010,753
Hope House Children's Hospices	3,130,363	-	3,130,363	3,172,727
	5,310,693	-	5,310,693	5,268,594

The 2024 total income from trading activities was unrestricted. The trade of Hope House (Trading) Limited is derived from the purchase and sale of merchandise (new goods). Hope House (Lottery) Limited operates the lottery scheme and raffle. Trading activities in Hope House Children's Hospices represents the sale of donated goods in the charity shops.

6 INCOME FROM INVESTMENT ACTIVITIES

	2024 Unrestricted funds	2024 Restricted funds	2024 Total funds	2023 Total funds
	£	£	£	£
Hope House (Lottery) Limited	2	-	2	2
Hope House Children's Hospices	187,365	-	187,365	188,733
	<u>187,367</u>	<u>-</u>	<u>187,367</u>	<u>188,735</u>

Investment Income has arisen on the dividends and interest earned on the charity's listed investment portfolio. All investment income in 2024 was unrestricted.

7 EXPENDITURE ON RAISING FUNDS WITHIN THE CHARITY

	31.12.24 £	31.12.23 £
Staff costs	1,223,020	1,094,502
Insurance	7,064	5,929
Telephone	25,281	14,491
Postage and stationery	29,968	44,529
Promotional expenses	73,297	75,464
Designing and branding	43,844	36,861
Event expenses	123,155	117,183
Travelling expenses	23,588	21,409
Training and conferences	7,711	351
General expenses	19,466	11,643
Payment processing fees	25,536	43,899
Investment management costs	39,251	37,456
Commission paid	-	1,042
Innovation fund	-	2,726
Premises costs	7,976	-
	<u>1,649,157</u>	<u>1,507,485</u>
Attributable to:		
Unrestricted funds	1,649,157	1,507,485
Restricted funds	<u>1,649,157</u>	<u>1,507,485</u>

8 EXPENDITURE ON TRADING ACTIVITIES

	2024 Unrestricted funds	2024 Restricted funds	2024 Total funds	2023 Total funds
	£	£	£	£
Hope House (Trading) Limited	70,044	-	70,044	56,120
Hope House (Lottery) Limited	651,829	-	651,829	727,055
Hope House Children's Hospices	2,551,314	-	2,551,314	2,171,218
	<u>3,273,187</u>	<u>-</u>	<u>3,273,187</u>	<u>2,954,393</u>

9 EXPENDITURE ON CHARITABLE ACTIVITIES

Charitable Activities	31.12.24 £	31.12.23 £
Wages	5,660,620	5,253,787
Rates and water	12,277	9,357
Insurance	38,658	34,652
Light and heat	60,527	88,908
Telephone	54,457	39,829
Postage and stationery	38,590	52,505
Repairs and maintenance	92,482	162,867
Housekeeping	101,348	92,626
Food and catering	90,339	94,443
Motor expenses	24,509	21,529
Vehicle lease charges	7,806	7,755
Travelling expenses	42,756	31,296
Training and conferences	44,818	33,776
General expenses	79,616	138,908
Nursing consumables	33,851	33,238
Medical cover	124,832	73,846
Care database & software subs	86,305	100,077
Agency	2,434	3,264
Rent	25,000	28,760
Innovation fund	5,788	2,481
Depreciation of tangible fixed assets	353,387	342,376
	6,980,400	6,646,280
Support Costs		
Printing, postage, stationery and IT	36,476	34,563
Telephone	22,410	23,565
Rates and water	2,982	1,768
Light & heat	2,100	1,171
Repairs and maintenance	16,807	3,660
General expenses	19,242	124,714
Travelling expenses	18,328	20,993
Training and conferences	25,527	42,736
Wages and salaries	1,300,774	1,026,464
Agency & recruitment	13,449	21,534
Apprentice levy	40,178	32,366
Staff benefit scheme	50,122	25,832
Bank charges	16,927	17,205
Insurance	10,321	8,650
Rent and service charges	17,059	19,062
Irrecoverable VAT	14,120	5,665
Innovation fund	1,874	-
Software and licensing	84,336	81,433
	1,693,032	1,491,381
Governance costs		
Audit fees - audit services	18,000	6,000
Finance and legal fees	44,099	24,408
Trustee expenses	2,880	4,619
	64,979	35,027
Total charitable expenditure	8,738,411	8,172,687

10 NET INCOME

This is stated after charging:-

Depreciation of owned tangible fixed assets	417,325	390,809
Auditors remuneration - audit of group	15,000	5,000
Auditors remuneration - non-audit services	3,000	2,500
	<u>435,325</u>	<u>398,309</u>

11 TRUSTEE'S REMUNERATION AND BENEFITS

During the year, no trustees received any remuneration (2023: £Nil). During the year, no trustees received any benefits in kind (2023: £Nil). No trustees were reimbursed expenses (2023: £Nil). Expenses totalling £2,159 (2023: £1,406) for travel were waived by trustees during the year. The charity incurred costs of £2,880 (2023: £4,619) in relation to the trustees that are compulsory for them to conduct their roles. These expenses include indemnity insurance and governance training.

12 STAFF BENEFITS

	Group		Charity	
	31.12.24	31.12.23	31.12.24	31.12.23
	£	£	£	£
Wages and salaries	8,422,871	7,563,828	8,387,935	7,525,500
Social security costs	750,984	658,901	748,988	656,687
Other pension costs	620,783	559,402	618,853	557,231
	<u>9,794,638</u>	<u>8,782,131</u>	<u>9,755,776</u>	<u>8,739,418</u>

The average monthly number of employees during the year was as follows:

	Group		Charity	
	31.12.24	31.12.23	31.12.24	31.12.23
Hospice services	151	161	151	161
Fundraising & publicity	31	28	31	28
Support	35	27	35	27
Retail & lottery	71	69	69	66
	<u>288</u>	<u>285</u>	<u>286</u>	<u>282</u>

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

	31.12.24	31.12.23	31.12.24	31.12.23
£60,001 - £70,000	1	-	1	-
£70,001 - £80,000	2	2	2	2
£80,001 - £90,000	1	-	1	-
£90,001 - £100,000	-	1	-	1
Over £100,000	1	1	1	1
	<u>5</u>	<u>4</u>	<u>5</u>	<u>4</u>

The key management personnel of the group, comprise the Trustees', the Chief Executive Officer, Director of Income Generation and Communications, Director of Care, Director of Finance, People and Resources plus the Directors of the wholly owned subsidiaries. The total employee benefits of the key management personnel were £467,893 (2023: £462,412).

13 2023 COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted fund £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	4,708,362	450,232	5,158,594
Charitable activities	-	1,648,919	1,648,919
Charitable activities			
Other trading activities	5,268,594	-	5,268,594
Investment income	188,735	-	188,735
TOTAL INCOME	10,165,691	2,099,151	12,264,842
EXPENDITURE ON			
Raising funds	1,507,485	-	1,507,485
Trading activities	2,954,393	-	2,954,393
Charitable activities			
Charitable activities	6,245,135	1,927,553	8,172,688
TOTAL EXPENDITURE	10,707,013	1,927,553	12,634,566
 Net gains on investments	 414,647	 -	 414,647
NET INCOME/(EXPENDITURE)	(1,631,440)	1,676,363	44,923
Transfers between funds	1,631,582	(1,631,582)	
 Net movement in funds	 142	 44,781	 44,923
RECONCILIATION OF FUNDS			
Total funds brought forward	15,461,979	184,962	15,646,941
 TOTAL FUNDS CARRIED FORWARD	15,462,121	229,743	15,691,864

14 TANGIBLE FIXED ASSETS

	Freehold property £	Plant and machinery £	Motor vehicles £	Totals £
COST				
At 1 January 2024	6,925,189	2,233,066	176,348	9,334,603
Additions	565,362	501,897	-	1,067,259
At 31 December 2024	7,490,551	2,734,963	176,348	10,401,862
DEPRECIATION				
At 1 January 2024	3,145,877	1,254,005	123,495	4,523,377
Charge for year	157,927	246,079	13,319	417,325
At 31 December 2024	3,303,804	1,500,084	136,814	4,940,702
NET BOOK VALUE				
At 31 December 2024	4,186,747	1,234,879	39,534	5,461,160
At 31 December 2023	3,779,312	979,061	52,853	4,811,226

Freehold property comprises the following: Hope House Hospice building and land, Ty Gobaith building and land, Administration Bungalow and the Bangor Shop. The freehold land is held at a cost of £608,106 (2023: £608,106), which is not depreciated.

During the year, the charity purchased tangible fixed assets totalling £407,185 (2023: £126,817) funded by restricted donation and grants. As the performance conditions on these assets purchases have been met, the funding has been transferred to the general fund.

At 31 December 2024 the charity had received £82,000 (2023: £45,600) in restricted funding for the acquisition of tangible fixed assets which had not been completed at the year end. This income has been carried forward in the restricted fund.

15 INVESTMENT PROPERTY

	Total £
FAIR VALUE	
At 1 January 2024	
and 31 December 2024	409,999
NET BOOK VALUE	
At 31 December 2024	409,999
At 31 December 2023	409,999

The investment properties held by the charity are the buy to let property of, 81 Borfa Green, Welshpool and 2 Parciau Bach, Criccieth, a property previously bequeathed to the group and the charity.

The properties have been revalued to reflect their fair values in the accounts. The Welshpool property's fair value is based on the market value price per a marketing report carried out by Morris Marshall Poole, independent valuers, who are not connected to the charity, on 4 April 2024.

The market value of the Criccieth property was arrived at on the basis of a valuation carried out by TP & Co Surveying, independent valuers, who are not connected to the charity, on 5 April 2024.

The trustees consider these valuations to be appropriate as at 31 December 2024. The historic cost of the properties is £344,235. See movement in funds note for the impact on the group's and charity's reserves.

16 FIXED ASSET INVESTMENTS

	Listed investments £	Cash and settlements pending £	Totals £
MARKET VALUE			
At 1 January 2024	7,577,047	142,269	7,719,316
Additions	1,013,432	-	1,013,432
Disposals	(1,991,380)	-	(1,991,380)
Portfolio movement	513,547	-	513,547
Movement on cash account	-	(5,379)	(5,379)
At 31 December 2024	7,112,646	136,890	7,249,536
NET BOOK VALUE			
At 31 December 2024	7,112,646	136,890	7,249,536
At 31 December 2023	7,577,047	142,269	7,719,316

The net book value of investment assets held outside of the UK was £3,673,425 (2023: £3,687,911).

	Listed investments £	Cash and settlements pending £	Shares in subsidiaries £	Totals £
MARKET VALUE				
At 1 January 2024	7,577,047	142,269	4	7,719,320
Additions	1,013,432	-	-	1,013,432
Disposals	(1,991,380)	-	-	(1,991,380)
Revaluations	513,547	-	-	513,547
Movement on cash account	-	(5,379)	-	(5,379)
At 31 December 2024	7,112,646	136,890	4	7,249,540
NET BOOK VALUE				
At 31 December 2024	7,112,646	136,890	4	7,249,540
At 31 December 2023	7,577,047	142,269	4	7,719,320

Charity investment in subsidiaries comprise:

Subsidiary	Company No.	Percentage Shareholding	Class of shares	No of shares	Total value
Hope House (Trading) Limited	02691088	100	Ordinary £1	2	2
Hope House (Lottery) Limited	05066936	100	Ordinary £1	2	2
					<u>4</u>

16 FIXED ASSET INVESTMENTS (CONTINUED)

The wholly owned trading subsidiaries, Hope House (Trading) Limited and Hope House (Lottery) Limited are incorporated in the United Kingdom. They both have the registered office of Nant Lane, Morda, Oswestry, Shropshire, SY10 9BX. Hope House (Trading) Limited and Hope House (Lottery) Limited distribute all of their profits to the Charity under Deed of Covenant.

	Hope House (Trading) Limited		Hope House (Lottery) Limited	
	2024	2023	2024	2023
	£	£	£	£
Current assets	20,330	2,373	154,547	312,704
Current liabilities	(18,761)	(804)	(149,680)	(307,837)
Aggregate share capital and reserves		1,569	4,867	4,867
Net income from trading activities	46,143	33,249	1,417,850	1,283,700

17 STOCKS

	Group		Charity	
	2024	2023	2024	2023
	£	£	£	£
Goods for resale	19,814	19,514	-	18,274

18 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Charity	
	31.12.24	31.12.23	31.12.24	31.12.23
	£	£	£	£
Trade debtors	57,414	-	57,414	-
Other debtors	2,220,339	1,662,151	2,220,339	1,662,151
Amounts owed by group undertakings	-	-	-	144,651
VAT	161,223	-	161,223	-
Prepayments and accrued income	208,341	204,676	208,341	204,676
	<u>2,647,317</u>	<u>1,866,827</u>	<u>2,647,317</u>	<u>2,011,478</u>

19 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Charity	
	31.12.24	31.12.23	31.12.24	31.12.23
Trade creditors	397,110	186,895	364,116	170,366
Social security and other taxes	173,335	169,046	173,335	169,046
Other creditors	101,766	88,088	101,766	88,088
Amounts owed to group	-	-	11,474	-
Accruals and deferred income	160,945	354,977	44,259	207,515
	<u>833,156</u>	<u>799,006</u>	<u>694,950</u>	<u>635,015</u>

19 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR (CONTINUED)

Included within accruals and deferred income is deferred income totalling £13,797 (2023: £101,156) in the charity. Deferred income in Hope House Children's Hospices is recognised in respect of grants where the performance agreement runs across multiple periods. The deferred income recognised in 2023 has been subsequently recognised as income in 2024 and 2024 income will be recognised in 2025.

Included in deferred income is £97,709 (2023: £127,705) in relation to Hope House (Lottery) Limited, the deferred income relates to the collection of funds for future lottery draws. The income is recognised once a draw period is closed with future draw income to be recognised as draws take place in the future.

20 STATEMENT OF FUNDS

Group	At 1.1.24 £	Net movement in funds £	At 31.12.24 £
Unrestricted funds			
General funds - all funds	8,220,357	145,688	8,366,045
Business continuity	4,176,000	27,000	4,203,000
Hospice modernisation	1,000,000	-	1,000,000
Retail growth	500,000	(200,000)	300,000
Purpose Alignment	1,500,000	-	1,500,000
Revaluation reserve	65,764	-	65,764
	15,462,121	(27,312)	15,434,810
Restricted funds			
Restricted funds - all funds	229,743	290,688	520,431
TOTAL FUNDS	15,691,864	263,376	15,955,242

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General funds - all funds	11,125,300	(11,666,159)	513,547	(27,312)
Restricted funds				
Restricted funds - all funds	2,285,284	(1,994,596)	-	290,688
TOTAL FUNDS	13,410,584	(13,660,755)	513,547	263,376

20 STATEMENT OF FUNDS (CONTINUED)

Charity	At 1.1.24 £	Net movement in funds £	At 31.12.24 £
Unrestricted funds			
General funds - all funds	8,213,925	145,688	8,359,615
Business continuity	4,176,000	27,000	4,203,000
Hospice modernisation	1,000,000	-	1,000,000
Retail growth	500,000	(200,000)	300,000
Purpose Alignment	1,500,000	-	1,500,000
Revaluation reserve	65,764	-	65,764
	15,455,689	(27,312)	15,428,379
Restricted funds			
Restricted funds - all funds	229,743	290,688	520,431
TOTAL FUNDS	15,685,432	263,376	15,948,810

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General funds - all funds	10,408,961	(10,949,819)	513,547	(27,312)
Restricted funds				
Restricted funds - all funds	2,285,284	(1,994,596)	-	290,688
TOTAL FUNDS	12,694,245	(12,944,415)	513,547	263,376

20 STATEMENT OF FUNDS (CONTINUED)

DESIGNATED FUNDS

Workforce Management Fund

The trustees are conscious that the charity must operate with an appropriately skilled workforce and are very aware of their responsibilities to its employees. Funds are therefore held and designated in a Workforce Management Fund to accommodate the cost of ensuring sufficient skilled capacity across the organisation.

Changes in service delivery may result in some staff not having the necessary skills to work effectively. If unable to retrain and gain skills at the required level of competence, then this fund allows the organisation to discharge its obligation to those staff not able to maintain high standards of delivery due to circumstances beyond their control.

Payment from this fund can only be considered in cases where the benefit to both the employee and the organisation can be demonstrated.

Service Development Fund

Fundraising

There is compelling evidence to support the case for investment in fundraising. Returns are significantly better than bank investments for slightly higher risk and we can flex investment in fundraising, increasing it when the returns look good and decreasing when not.

To achieve the desired levels of growth, it is proposed that the investment in fundraising is increased to 24% of total voluntary income by 2024. Funds are designated to support this investment if required.

Care

As the needs and complexity of the children cared for by the organisation evolves, services must evolve with them. To ensure that this development is possible, funds have been designated should they be required.

Business Continuity Fund

To manage income shortfalls

Analysis has identified and assessed the risk to the income received by the charity from various sources. Reserves are held to ensure service continuity if this income falls short of the forecast, allowing time to either restore this income or reduce costs accordingly.

To adjust costs

A reserve has been designated for costs associated with restructuring the charity to reduce costs in the event of income not meeting forecast. This fund would be used primarily to meet the cost of reducing the workforce.

Catastrophic event

Through a risk management process, we seek to rationalise, quantify and avoid catastrophic events occurring and insure against those risks that cannot be removed. However, there is always the potential of an event occurring. Clearly it is impossible to quantify a catastrophic event, but it is prudent to designate a reserve fund to mitigate the impact or to aid recovery should such an event occur. Therefore, designated funds are held for catastrophic events.

Hospice modernization

A reserve has been designated for Hospice improvements and modernisations, this is in recognition of the age of the hospice buildings and the need to invest in capital projects to ensure that we are providing the 'hospice of the future' environment. There is an internal plan and expectation that we will be able to gain additional funds for this work through Grants and Trusts.

20 STATEMENT OF FUNDS (CONTINUED)

Retail growth

There is a need in the coming years to invest in the retail shops of the hospice, this is for refurbishment, health and safety improvements, expansion and business development initiatives to increase the contribution to the main charity from the retail sector. Each shop will be reviewed on an individual basis and will have its own business case for using the reserves.

Purpose Alignment

As the Charity works through their new purpose alignment, this fund has been designated to ensure that we can continue the development of care services, the increase of the Hospices reach and sustainable charitable income growth. This will ensure that the new purpose is in place through all areas of the charity.

21 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2024	Restricted funds 2024	Total funds 2024
Group - 2024			
Tangible fixed assets	5,053,975	407,185	5,461,160
Investment property	409,999	-	409,999
Fixed Asset Investments	7,249,536	-	7,249,536
Current Assets	3,554,457	113,246	3,667,703
Creditors due within one year	(833,156)	-	(833,156)
	15,434,811	520,431	15,955,242

	Unrestricted funds 2023	Restricted funds 2023	Total funds 2023
Group - 2023			
Tangible fixed assets	4,765,626	45,600	4,811,226
Investment property	409,999	-	409,999
Fixed Asset Investments	7,719,316	-	7,719,316
Current Assets	3,366,186	184,143	3,550,329
Creditors due within one year	(799,006)	-	(799,006)
	15,462,121	229,743	15,691,864

	Unrestricted funds 2024	Restricted funds 2024	Total funds 2024
Charity - 2024			
Tangible fixed assets	5,053,975	407,185	5,461,160
Investment property	409,999	-	409,999
Fixed Asset Investments	7,249,540	-	7,249,540
Current Assets	3,409,815	113,246	3,523,061
Creditors due within one year	(694,950)	-	(694,950)
	15,428,379	520,431	15,948,810

	Unrestricted funds 2023	Restricted funds 2023	Total funds 2023
Charity - 2023			
Tangible fixed assets	4,765,626	45,600	4,811,226
Investment property	409,999	-	409,999
Fixed Asset Investments	7,719,320	-	7,719,320
Current Assets	3,195,760	184,143	3,379,903
Creditors due within one year	(635,016)	-	(635,016)
	15,455,689	229,743	15,685,432

22 EMPLOYEE BENEFIT OBLIGATIONS

The charity makes contributions to certain pension schemes for its employees. The assets of these schemes are held separately from those of the charity in independently administered funds. The pension cost charge represents contributions payable by the charity to the fund amounted to £625,244 (2023: £557,231).

23 LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	31.12.24	31.12.23
	£	£
Within one year	289,655	387,097
Between one and five years	1,077,357	832,378
In more than five years	396,233	341,583
	<u>1,763,245</u>	<u>1,561,058</u>

During the year operating lease charges were recognised as rent expenses in the following; the cost of operating charity shops £424,454 (2023: £349,406); hospice activities undertaken directly £25,000 (2023: 28,760); and support costs £17,059 (2023: 19,062).

During the year operating lease charges were recognised as vehicle lease expenses in the following; cost of operating charity shops £18,723 (2023: £13,352) and hospice activities undertaken directly £7,806 (2023: £7,755).

24 FINANCIAL COMMITMENTS, GUARANTEES AND CONTINGENT LIABILITIES

At 31 December 2024 the group and charity had committed to £Nil (2023: £217,388) in ongoing capital projects in addition to restricted assets committed to.

25 RELATED PARTY TRANSACTIONS

During the year, group staff made donations to the charity and played the lottery run by Hope House (Lottery) Limited. Transactions were conducted under normal commercial terms. A policy exists to prohibit the directors of Hope House (Lottery) Limited, trustees of Hope House Children's Hospices, and senior managers and employees directly involved in the running of the lottery, from taking part in the lottery.

Trustees and their related companies made donations to the charity totalling £98,393 (2023: £165,773). Hope House (Trading) Limited and Hope House (Lottery) Limited are 100% owned subsidiaries of Hope House Children's Hospices. All the profits of the subsidiaries for the period have been distributed by Gift Aid to the charity. The profits for the year totalled £46,143 (2023: £33,249) for Hope House (Trading) Limited and £1,417,850 (2023: £1,283,700) for Hope House (Lottery) Limited. Hope House (Trading) Limited charged £5,533 (2023: £4,255) to Hope House Children's Hospices for operating the Gift Aid scheme on the sale of new goods.

At 31st December 2023 the charity was owed £18,761 (2023: £804) by Hope House (Trading) Limited and owed £30,235 (2023: was owed £143,847) by Hope House (Lottery) Limited.

26 ULTIMATE CONTROLLING PARTY

The charity is controlled by the trustees.

Accounts



TRUSTEES' REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023



Charity Registration No. 1003859
Company Registration No. 2588103

HOPE HOUSE CHILDREN'S HOSPICES
TRUSTEES' REPORT AND CONSOLIDATED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

Independent auditors





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REFERENCE AND ADMINISTRATIVE DETAILS

FOR THE YEAR ENDED 31 DECEMBER 2023

Trustees

Appointed Officers of the Board

Stephen R Henly	Chair	Company Managing Director
Barbara J Evans	Vice Chair	Retired Local Government Officer
Philip R Inch	Treasurer	Retired Financial Director

Members of the Board

Graeme Harkness	Retired Head Teacher	
Dr Supriya Kapas	Quality Assurance Pharmacist	
Andrew Morris	Company Director	(resigned 20/03/2024)
Gary Morton	Group Chief Executive	
Dr David Sharp	General Practitioner	
Kelly Miller	Solicitor	
Dr Jean B Watt	Retired Consultant Paediatrician	(resigned 20/03/2024)
Gail A Caddell	Nursing Director	(resigned 11/09/2023)
Sarah Griffith	HR Professional	

Independent Directors of Hope House (Trading) Limited

W Andrew Fergus
Andrew T Goldsmith

Independent Directors of Hope House (Lottery) Limited

Stephen R Henly
Philip R Inch
Gary Morton
Andrew Morris (resigned 27 September 2023)
Kelly Miller (appointed 18 October 2023)

Company registered number: 2588103

Charity registered number: 1003859

Registered office

Nant Lane, Morda, Oswestry, Shropshire, SY10 9BX

Company secretary

Andrew T Goldsmith

Chief executive officer

Andrew T Goldsmith

Executive leadership team

Simi Epstein	Director of Income Generation and Communications	
Karen Wright	Director of Care	
W Andrew Fergus	Director of Finance and Transformation	
Suzy Watts	Director of People and Resources	(left 19/04/2024)

Administrative details (continued)

Independent auditors

Xeinadin Audit Limited, 2 Hilliards Court, Chester Business Park, Chester, CH4 9PX

Bankers

HSBC Bank Plc, The Cross, Oswestry, Shropshire, SY11 2SR

Solicitors

Howell Jones and Company, 36 Station Road, Llanrwyst, Conwy, LL26 0DA

Investment manager

Investec Wealth & Investment Limited, Colmore Plaza, Colmore Circus, Birmingham, B4 6AT

Investment advisor

Best Practice IFA Group, Belmont House, Shrewsbury Business Park,
Shrewsbury, Shropshire, SY2 6LG

LETTER FROM THE CHAIR OF TRUSTEES

I am incredibly proud of the whole team at Hope House Children's Hospices for all that has been achieved during 2023. Following the pandemic years, we began 2023 with economic uncertainty, higher interest rates than we had been used to for many years, inflation approaching 10%, political volatility and continued overseas conflict. Despite this, our teams continued to build back and worked hard, delivering more care and raising even more money.

I am deeply grateful to our exceptional care staff, for whom I have the greatest admiration and appreciation for their continued commitment to providing the highest quality compassionate care possible. In 2023 we supported 236 children and their families. Our care team delivered increases of:

- 55% in planned respite nights;
- 81% in therapy sessions including sensory play, swimming sessions and physiotherapy;
- 17% in counselling and bereavement support sessions.

Despite the economic difficulties and cost of living crisis which affected so many people we saw an increase of 3.7% in our fundraising income excluding legacies. This represents an overall increase of 59.2% since 2020, a remarkable achievement. Our 'Final Moments Matter' campaign raised a staggering £621k which will pay for all end-of-life care that we expect to deliver in 2024. Of the money we raised, 84% is spent on charitable activities with just 16% being re-invested in fundraising to generate this vital income.

Our 15 retail shops contributed a net income to the charity of £1.1m. As we look towards the future, we are not only intending to increase the number of shops, we are also improving our retail estate both in terms of our current shops and where they are located.

Our lottery, which contributed a net income of £1.3m, continues to perform well but we know that we cannot expect to continue to grow it at the rate we did pre-pandemic. Therefore, we are investing in an engagement and retention programme with our players to ensure the lottery's continued success for many years to come.

We are extremely grateful to the UK and Welsh Governments for the funding we receive. However, just 13.4% of our income comes from the statutory sector, much lower than for the adult hospice sector and as I write, its future is uncertain. To continue operating, we are dependent on the goodwill of our incredible donors who support us in so many innovative, selfless and very often courageous ways. However you supported us in 2023, thank you, we cannot do what we do without your continued help and generosity.

I must also mention our 614 volunteers, including our trustee board, who donated a total of 84,039 hours in 2023 (up 26% on 2022) with an estimated value to the charity of over £1m. Their boundless commitment and enthusiasm for the charity is inspiring. I am grateful to every one of you for your continued dedication and support.

During 2023, we recognised that our costs were increasing significantly across the whole organisation and despite the sterling work of our income generation teams, the gap between income and costs is likely to widen in the long term. We also know that the demands on our service are increasing, the number of children with a life-threatening condition is increasing, and thankfully many of the children are living for longer due to advances in medicine and technology but often with more complex conditions and needs.

Families tell us that they depend and rely upon overnight respite and rank it as the most important service we can offer to them. The time children and their families can spend at Hope House and Tŷ Gobaith improves the quality of life for the whole family. We believe that there is a significant unmet and unknown demand in our community for the care we can provide; understanding this need and removing any barriers to accessing it is one of our highest priorities.

We had planned a deficit budget for the years 2023 to 2025 with a strategic objective to reach a balanced budget in the medium term. However, as we started the year, we knew our purpose was too broad to achieve this goal.



We needed to better define 'Our Purpose' to focus our resources on where we can have greatest impact. In October, the Board adopted new Charitable Objects and we began work on defining a new purpose to guide the organisation through the next decade.

This new purpose was approved by the Board in early 2024 and will see us do just three things:

- Provide professional care and support;
- Reach every local child from diagnosis;
- Raise the money we need.

We have healthy reserves and have designated funds for expenditure in specific areas, namely to help us achieve our purpose; to modernise our hospice facilities; and to grow and develop our retail business.

Finally, I would like to thank the many wonderful children and their families who, over the last few years, have allowed us to share stories of their personal journeys with people throughout our communities at our fundraising events, on social media and in our fundraising campaigns. It is these stories that make the difference to the level of generosity we receive from our wonderful donors and supporters. Thank you.

Steve Henly
Chair of Trustees

26th June 2024



WHY HOPE HOUSE CHILDREN'S HOSPICES EXISTS AND OUR MISSION

In September 2023 following Charity Commission approval, the Members of Association of Hope House Children's Hospices approved new Charitable Objects and Articles of Association to better reflect the services provided by the charity as it had evolved since 1991, and to modernise the language. This was the start of a process to redefine the charity's purpose to reflect the needs of our beneficiaries and our role in best meeting those needs.

In March 2024 the Board approved a new mission for the charity.

THE PROBLEM WE WANT TO SOLVE

Children with life-threatening conditions and their families are suffering and too many get support too late or not at all

OUR PURPOSE

Hope House Children's Hospices is a charity that gives every local child with a life-threatening condition and their family access to professional care and improves their quality of life from the point of diagnosis

HOW WE ACHIEVE THIS



Provide professional care and support



Reach every local child from diagnosis



Raise the money we need

Work has now started on aligning the charity behind our new purpose and ensuring the charity puts our purpose foremost when considering investment, activity and service planning.

GOVERNANCE STRUCTURE AND MANAGEMENT OF HOPE HOUSE CHILDREN'S HOSPICES

Governing documents and legalities

Hope House Children's Hospices is a registered charity, number 1003859 and a company limited by guarantee, incorporated under the Companies Act 1985, number 2588103.

The directors of the charitable company are its trustees for the purpose of charity law and throughout this report are collectively referred to as the trustees. The liability of trustees is limited and in the event of the company being wound up, trustees may be required to contribute an amount not exceeding one pound.

The company (and charity) was established under a Memorandum of Association on 4th March 1991 and is governed under its Articles of Association. At the Annual General Meeting on the 27th September 2023 the Members of Association adopted new Articles of Association which form the charity's governing document that incorporate revised charitable objects as approved by the Charity Commission.

The objects of the charity are to relieve the need of:

- (a) babies, children and young people with life-threatening and terminal conditions and their families, who are residing in and around Shropshire, Cheshire, North and Mid Wales, in particular, but not exclusively, by providing:
 - (i) respite care and symptom management;
 - (ii) crisis, palliative and end of life care and support;
 - (iii) psycho-social support, including counselling and wellbeing support for the children and young people and their families;
 - (iv) death and bereavement services for their families; and
- (b) the families of babies, children and young people who have died in other circumstances through bereavement support.

Hope House Children's Hospice is registered with the Care Quality Commission and Tŷ Gobaith Children's Hospice is registered with Healthcare Inspectorate Wales as hospices for children and adults and for the treatment of disease, disorder or injury.

Appointment of trustees

The management of the company is the responsibility of the trustees who are elected under the terms of the Articles of Association. A formal policy sets out selection, recruitment and appointment of trustees to ensure trustees are Fit and Proper Persons to act in that capacity. The trustees have no pecuniary interest in the company and give their services voluntarily. They receive no financial benefits from the charity but may claim expenses.

In accordance with the Articles of Association one-third (or the number nearest one-third) of the trustees must retire at each of the First Trustee Meeting, those longest in office retiring first and the choice between any of equal service being made by drawing lots. A retiring trustee shall be eligible for re-appointment by the trustees.

At the First Trustee Meeting on 20th March 2024, David Sharp, Andrew Morris, Gary Morton and Graeme Harkness retired by rotation and being eligible, David Sharp, Gary Morton and Graeme Harkness were re-elected.

The Members of Association have considered and determined not to set a maximum number of terms of office that a trustee may serve as it is felt a mix of experienced and new trustees gives the Board balance. Imposing a maximum number of terms of office a trustee can serve would unnecessarily cause the loss of skills, knowledge and experience and risk the loss of institutional memory, continuity, and ability to exercise effective governance.

Trustees are subject to an annual review and the Board of Trustees is progressively refreshed with the appointment of new trustees as Board members retire or where additional skills and experience is required. The decision on trustee terms of office was last reviewed in June 2022.

If a trustee position becomes available, or if the Board decides that an individual with a particular skillset would be beneficial to the charity's governance, an open recruitment process is conducted usually involving an external publicity campaign in order to find the best possible candidates for the role.



Three year terms of office have been set for the officers of the Board: Chair, Vice Chair and Honorary Treasurer and Chairs of the Board Committees are appointed annually. There is no restriction on the number of terms an officer of the Board or committee chair can serve.

Trustee induction training and development

New trustees undergo an induction process to ensure that they understand their legal obligations under charity and company law, the content of the Articles of Association, the Board and decision-making process, the charity's purpose, strategic plan and the recent performance.

Trustees also have access to training and in September 2023 a trustee training plan was approved offering a combination of online training and in person training and development sessions covering the following subjects:

- Charitable purpose and governing documents;
- Safeguarding children and vulnerable adults including deprivation of liberties;
- Equality and diversity;
- Strategic budgeting and financial management;
- Risk management;
- Conflict of interest and loyalty;
- Data Protection;
- Communications and use of social media.

Trustees also attended sessions to develop the new purpose and on statutory funding for children's hospices and charging for services.

Trustees undertake an annual appraisal with the Chair of Trustees, and this helps to identify areas of concern, interest and development.

Organisational structure and decision making

The Board of Trustees administers the charity and meets once every three months. The Board has established a specialist committee structure to provide an efficient mechanism for discharging the Board's corporate and charitable governance responsibilities.

The committees in place during 2023 were:

- Clinical Governance;
- Income and Investments;
- Audit and Risk;
- HR & Remuneration.

Board and committee meetings were held in person and online in accordance with section 24 Proceedings of Directors, subsection (6) of the Charity's Articles of Association March 2018 and section 13.5 of the Articles of Association September 2023.

A Chief Executive Officer is appointed by the Trustees to manage the day-to-day operations of the charity. To facilitate effective operations the Chief Executive has delegated authority, within the terms of delegation approved by the Trustees for all operational matters. The trustees set the long-term goals for the organisation and the Chief Executive translates this into a strategy and business plan which is then delivered by the Chief Executive and the Executive Leadership Team.

Related Parties

Hope House (Trading) Ltd. and Hope House (Lottery) Ltd. are wholly owned subsidiaries of Hope House Children's Hospices and are consolidated as part of the charity's accounts. Hope House (Trading) Ltd sells merchandise and Hope House (Lottery) Ltd runs the weekly lottery and regular raffles.

Trustees represent the charity on the subsidiary Board of Hope House (Lottery) Ltd and the Chief Executive and Director of Finance and Transformation on the subsidiary Board of Hope House (Trading) Ltd.

PRINCIPAL RISKS

The trustees have assessed the major risks to which the charity is exposed. Board reassurance is provided by the Audit and Risk Committee which considers the highest strategic risks annually with continuous monitoring.

The principal potential risks to delivering the charitable purpose that were faced by Hope House Children's Hospices at the start of 2023 and the mitigation taken during the year are tabled below:

Potential Risk	Description
Supporter dissatisfaction: Widespread supporter dissatisfaction could not be accepted as the charity is dependent for the majority of its income from supporters.	During the year the Supporter Engagement Team was strengthened and new engagement initiative launched.
Breach of Information Governance procedures and systems: As the systems used to collect, store and use personal information become increasingly sophisticated there is a risk of a breach of data protection rules and principles either inadvertently or through criminal activity.	- Staff completed mandatory data protection training. - The IT system was tested for robustness against attack and information security measures are continually under review.
Shortage of clinical skills: Clinically trained staff remain vital to the successful delivery of services by Hope House Children's Hospices and without clinical staff it is impossible to deliver safe care.	- A Specialist Paediatric Palliative Care Consultant was appointed jointly with Betsi Cadwalader University Health Board. - Funded training for nurse associates introduced with six members of staff undergoing or completing training. - An Organisational Development Programme introduced including strengthening learning and development in clinical skills and competencies and a new learning and development team established. - Workforce Sharing Agreement made with statutory sector providers in Shropshire, Telford and Wrekin.

Potential Risk	Description
Issues with workplace culture impacting staff wellbeing and resilience: It was evident that the impact of accelerated change was being felt in some teams in 2022 and we lacked a co-ordinated approach to organisational development and addressing issues of values, culture and wellbeing. Some staff reported that they can feel overwhelmed by stress at work, that communication between teams can be improved and that the charity does not do enough to encourage staff to improve their physical and mental wellbeing.	▪ A strategic and co-ordinated employee centric organisational development programme resourced and launched including learning, succession planning, culture and values, staff resilience and wellbeing. ▪ Two staff led forums established to lead our approach to belonging and wellbeing.
Not meeting charitable objects in Cheshire: Initial evidence suggested that the proportion of children in Cheshire accessing hospice services was considerably lower than in other areas of our catchment.	▪ Project Wheatsheaf launched to investigate service demand and paediatric palliative and hospice services in Cheshire and to develop an action plan to address shortcomings. ▪ Community hospice nurse appointed to work within the Mid Cheshire Community Children's Nursing Team.
Insufficient income to meet planned expenditure: Significant deficit budgets are planned for 2023 and 2024 but current position is resilient due to surplus reserves. However, unless long term income can increase in line with increased service costs then services could need to be reduced, impacting families and staff job security.	▪ Increased investment in fundraising. ▪ Legacy giving strategy approved and resourced. ▪ New shop opened in Wrexham. ▪ Pause on significant service developments pending the setting of a new charitable purpose and aligning of resources to deliver that purpose.
Unable to meet the needs of all technology dependent children: The medical complexity of children receiving care is increasing, including technological dependency. The current workforce is limited in terms of care technology expertise and the necessary specialised equipment and medical support is not currently in place.	▪ Review of providing care for invasively ventilated children undertaken and care offer determined. ▪ Investment in training and continual professional development for care staff.

The action taken during the year mitigated and managed these risks. Throughout the year the continuous review of risks identified new risks, and at the end of 2023, the following potential risks were identified as falling above the charity's risk appetite.

Potential Risk	Description
The charity lacks direction, strategy and forward planning.	- Our current charitable purpose is very broad, leading to a dilution of focus and resources and tensions over competing priorities. - Annual business plans over the last four years have focussed on activity to rebuild and recover from the pandemic. A new approach is required to focus on delivering a focussed charitable purpose. - Resources are not aligned with delivering the Charitable Objects and allocation of reserves and resources could be more focussed. - Demand on resources is outstripping income. More focus is required in both service delivery and income generation to bring finances back into balance.
Trustee body lacks relevant skills or commitment.	- The retirement of a number of trustees has reduced the collective experience of the trustees and recruiting trustees with some skills (such as paediatric nursing or medicine) remains challenging. - Not all trustees participate in their annual appraisal and attendance by some trustees at meetings falls below the level expected.
It is unclear if services best meet beneficiaries needs	- Whilst service user feedback is actively encouraged and considered by the trustees there are children with life-threatening conditions who do not access our services and we do not necessarily know their needs. - There appears to be communities that are underrepresented as beneficiaries (community of location, culture, condition) and we do not know if our services meet their needs. - Our services do not meet the needs of all children with life-threatening conditions (e.g. Children reliant on invasive ventilation).
Insufficient income to meet planned expenditure	Significant deficit budgets are planned for 2024 and 2025 but current position is resilient due to surplus reserves. However, unless long term income can increase in line with increased service costs then services could need to be reduced, impacting families and staff job security.
Significant reduction or loss of statutory sector funding	Statutory funding accounts for around 15% of annual income and therefore the impact would be significant if this was lost, potentially leading to reduction in service and staff redundancies, with impact on morale and reputation. The future of the Children's Hospice Grant is uncertain and agreements with Integrated care boards and local health boards are on an annual basis.
Shortage of clinical skills preventing delivery of the care strategy	- Whilst nurse recruitment and retention has stabilised the hospices remain substantially reliant on local GPs for medical cover and the continuation of this cover is uncertain. - Health Board funding for the Specialist Paediatric Palliative Care Consultant remains uncertain. - Pilot project funding for the Community Hospice Nurses in Shropshire and Cheshire expires in 12 months.
Inappropriate reserves held (too low or too high)	Reserves held are currently in excess of reserves policy.



STRATEGIC REVIEW

ACTIVITIES FOR ACHIEVING OUR OBJECTIVES

In 2023, we provided specialist nursing, care and support to life-threatened children and young adults. Our support extended to the whole family from diagnosis, throughout the lifetime of the child and beyond. Care was provided at Hope House in Morda near Oswestry, Shropshire and Tŷ Gobaith in Conwy, North Wales, at home and in the community.

Bereavement support and specialist counselling was provided to any family after the death of their child - whether or not we had previously cared for them.

To fund the provision of care the charity received funding from statutory sources and raised funds by donations, through the sale of donated goods and by the operation of two wholly owned subsidiary trading companies, one that sold new goods for the benefit of the charity and the other that operated our lottery.

OUR STAFF AND VOLUNTEERS

Our staff and volunteers are by far and away, the most important element of the success of Hope House Children's Hospices. More to the point, it's what they bring to work, that is the single most important component of our success, however we measure it. You can see, hear, and feel it every day across all areas of the charity.

By the end of 2023 the charity employed 264 staff, divided between the departments shown in the table below.

Staff at HHCH in 2023 vs 2022 by department.

Department	2023		2022	
	Total permanent and temp staff	% of staff compliment	Total permanent and temp staff	% of staff compliment
Care	144	54%	146	56%
Retail	59	22%	57	22%
Fundraising (Incl Lottery)	29	10%	28	9%
Support	32	14%	27	13%
Grand Total	264		258	

Supporting staff to feel engaged and motivated

Ensuring that all colleagues feel connected to our work, involved in decisions about how we do things and given opportunities to learn and develop is vital to be successful individually and collectively.

We listen, through formal staff engagement surveys and informally and evolve our ways of working, communication, and reward, amongst other things, in response. Pleasingly, the feedback is that we are getting many things right and employees tell us that Hope House Children's Hospices is a great organisation to work for but there is still more we can do.

In response to staff feedback a range of new staff benefits were introduced in 2023 including:

- Healthcare cash plan;
- 24/7 access to a confidential counselling service;
- Access to online GP appointments;
- Improved life assurance terms;
- Confidential telephone advice service for life issues.

An employee centric organisational development programme was agreed and resourced to make Hope House Children's Hospices an even greater place to work, and two staff led forums were launched to lead our approach to belonging including diversity and inclusion, and wellbeing.

Volunteers

In addition to paid staff the charity was supported by volunteers who are active in many roles across all areas of the charity including the trustees who give their time voluntarily.

In 2023, 614 individuals actively volunteered donating over 84,000 hours', equivalent to over £1 million in salary cost alone. The table below shows the number of volunteers, hours, and annual wage savings for the two years 2022 and 2023. The table shows that over this period the number of active volunteers increased by 28% to the highest level seen over the last five years.

Location	Number of individuals		Total annual volunteer hours		Annual wage 'saving'	
	2023	2022	2023	2022	2023	2022
Tŷ Gobaith	7	8	1,538	1,878	£20,168	£19,601
Hope House	25	14	3,175	1,327	£39,223	£13,355
Shops	386	330	77,180	60,456	£841,260	£576,168
Fundraising/ Friends	185	117	1,495	2,174	£16,296	£20,653
Trustees	11	11	651	733	£105,446	£95,355
Grand Total	614	480	84,039	66,568	£1,022,393	£725,132

The charity is indebted for the unstinting efforts of its volunteers. The contribution made by our many dedicated volunteers and the considerable hours worked cannot be overstated; helping the charity have a much greater impact than could otherwise be achieved, through the governance of the charity, raising money, providing care and support to children and families, and by acting as ambassadors for the charity within their own communities and beyond.

Disability Confident Employer

Hope House Children's Hospices is a Level 2 Disability Confident Employer registered with the Department of Work and Pensions. Disability Confident Employers are recognised as going the extra mile to make sure disabled people get a fair chance.

Gender pay gap

Every year the charity publishes its annual gender pay gap report. The gender pay gap is a measure of the difference between men's and women's average earnings across an organisation or the labour market. It is expressed as a percentage of men's earnings. The table below shows the gender pay gap for Hope House Children's Hospices based on data from the 5th of April each year.

	2020	2021	2022	2023
Mean gender pay gap	+9.39%	+14.99%	+11.2%	+14.97%

The mean gender pay gap for the whole UK economy (according to the Office for National Statistics (ONS) 2023 Annual Survey of Hours and Earnings (ASHE) figures) is 13.2%. At 14.97% in 2023 Hope House Children's Hospices results show a slightly higher mean gender pay gap than that for the whole economy.

The ongoing difference between the mean pay for men and women arises from the roles in which men and women work within the organisation and the salaries that these roles attract. Hope House Children's Hospices is therefore confident that a gender pay gap as defined by the Equality Act does not exist at Hope House Children's Hospices and that any gender pay gap does not stem from paying men and women differently for the same or equivalent work.



Despite men being more likely to be employed in more senior roles commanding higher salaries than women generally in the UK, this is not the case at Hope House Children’s Hospices with around 43% of the women employed by Hope House Children’s Hospices earning within the higher pay quartiles.

Pay policy for senior staff

How the salaries of Key Management Personnel are determined is set out in policy and determined by trustees.

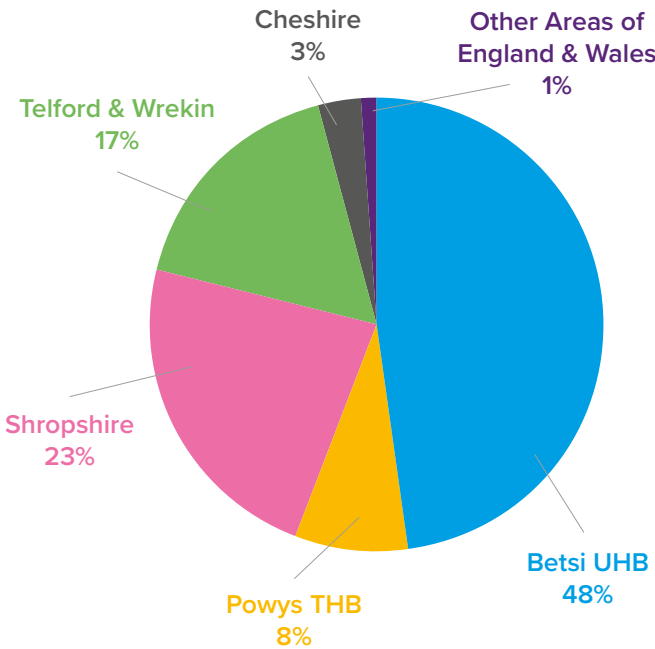
The overall goal of Hope House Children’s Hospices key management personnel pay policy is to offer fair pay to attract and keep appropriately qualified staff to lead, manage and deliver the charity’s purpose. In order to recruit and retain high calibre staff, trustees recognise that the remuneration package offered must be competitive whilst reflecting the motivation of working for a charity and the values of the organisation. They therefore seek to ensure salaries are competitive but do not exceed those paid in comparable jobs in non-charitable organisations. The median salary of all staff is used as a benchmark for capping the highest salary level in the organisation and pay for the most senior member of staff will not normally exceed six times the median full time equivalent pay of all paid members of staff calculated annually in September each year.

OUR CARE SERVICES AND SUPPORT

Children and young people registered with Hope House Children’s Hospices

Hope House Children’s Hospices supports children and families’ resident in Shropshire, Cheshire, North and Mid Wales. At the end of December 2023, 236 children and young adults with a life-threatening condition were registered with Hope House Children’s Hospices. This is a reduction from 2022, due to the implementation of the reduction in the upper age range for support and discharging young adults once they reach their 18th birthday.

56% of these children were resident in Wales and 44% in England. The split of home locations of children registered with Hope House Children’s Hospices is shown below.



As in previous years the largest number of children are resident in the Betsi Cadwalader University Health Board area (North Wales) followed closely by the 40% resident in the Shropshire, Telford and Wrekin Integrated Care Board Area.

The data above also shows the low numbers of children supported within Cheshire. In 2023, Project W heatsheaf was established to explore reasons behind this. The results of its first phase found that the areas mainly supported by us were South and West Cheshire. This research will inform the work to reach more children being undertaken within 2024.

Research on the prevalence of UK children with Life-threatening Conditions (LTCs) 'Make Every Child Count' published in February 2020 and the Children in Wales Requiring Palliative Care: Trends in Prevalence and Complexity report 2023 both found numbers of children with LTCs increasing, in part due to increased survival from advances in medicine and improved care meaning more children with LTCs reaching adolescence or even adulthood.

Based on the most recent Office for National Statistics data, within our catchment area we support a population of around 2,106,362 with a child population of 431,338. Taking and applying the prevalence data from the most recent research, it would suggest that there are approximately 2,564 children with a LTCs in our catchment area.

As of December 2023, we had open cases with 236 children which equates to an estimated 9.2% of children with LTC's within our catchment area although this varies up to over 20% in some communities. Not all children identified in the research will need or want hospice services however, understanding need, removing barriers and increasing reach is one of our three priorities going forward.

Age range for support

We support children and young people with life-threatening conditions from 24 weeks gestation until their 18th Birthday. Transition support continues for another 12 months.

In 2022 we informed service users and stakeholders that we would be implementing the decision (taken in 2018) to reduce the upper age range for in house hospice support from 25 to 18 from January 2023, with transition support remaining in place for a further 12 months. The policy change has been applied on a phased approach that will continue through to December 2024.

Unfortunately overnight out of home short breaks for adults with LTC's is extremely limited, and the loss of this support has been particularly hard felt by families. Our multi-disciplinary transition team work with young adults and their families to identify and secure support but unless significant increased investment is made in adult social care, overnight short breaks for adults will remain severely limited.

How we helped children and their families - in numbers

236

children with life-threatening conditions were registered with Hope House Children's Hospices on the 31st of December 2023.

(260 in 2022)



171

children  **were cared for**

at Hope House and Tŷ Gobaith

for **2,778 nights** of planned respite care and **333 nights** of crisis and emergency (unplanned) care.

159 in 2022 1,787 nights of planned respite care and 645 nights of crisis and emergency (unplanned) care.

1,307

therapy sessions

were enjoyed including sensory play, swimming and physiotherapy.

(720 in 2022)

42 

families whose baby was diagnosed with a life-threatening condition before or after birth were supported by our Neonatal Nurses.

(42 in 2022)

1,812

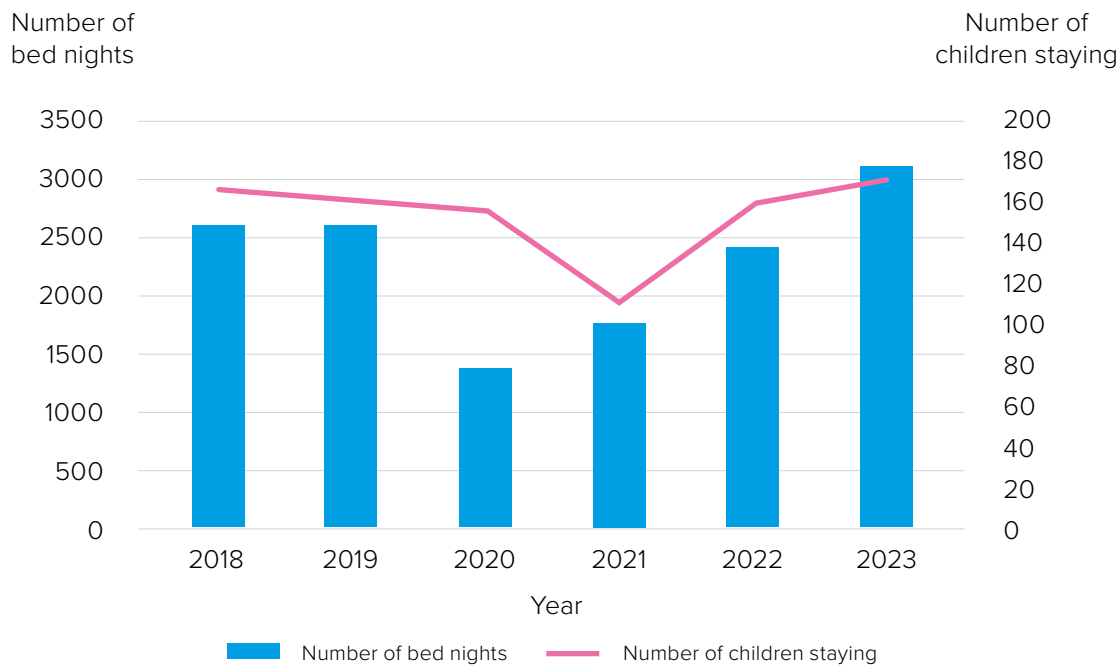
counselling and bereavement support 

sessions helped children, parents and families during their child's illness and beyond.

(1,540 in 2022)

OUR CARE SERVICES AND SUPPORT
(CONTINUED)

Overnight stays in the hospices



Hospice care

Hope House Children’s Hospices operates two hospices, Hope House in Morda near Oswestry, Shropshire and Tŷ Gobaith in Conwy, North Wales.

Families tell us that they rely on the hospice for overnight respite and it is the most important service that we offer, giving parent carers a break from the intense care that many children with life-threatening conditions require and care, experiences and opportunities for children that improve their quality of life.

During 2023, the number of children staying at the hospices and the number of overnight stays increased substantially from 2022, continuing an upward trend in response to demand and facilitated by the recruitment of more care staff, allowing us to open more bed nights.

As a result of increased overnight stays bed occupancy averaged 83% over the year as an average of both hospices.

Deaths and end of life

Over the last 12 months we continued to prioritise end of life care and supported an increased number of families, where possible giving them a choice of where their child died, whether that be at home, in the hospice or in hospital. This included enabling critically ill babies and children to be transferred out of the neonatal and critical care units to their preferred place of death (hospice or home).

The recent research published suggests that around 2.3% of children with LTCs will die each year, though survival rates are rising. Applying this to our catchment population, we may expect around 59 children with LTCs to have passed away in 2023. 37 children registered with Hope House Children’s Hospices sadly died in 2023. These 37 children accounted for approximately 62% of children with LTCs expected to die in 2023 within our catchment area.



Complex care and symptom control

Our first specialist Paediatric Palliative Care Consultant appointed jointly with Betsi Cadwaladr Health University Health Board, continued to develop our specialist medical support for children in North and Mid Wales, including out of hours and at the hospices.

Unfortunately, plans to provide similar support to children resident in Shropshire and Telford and Wrekin did not materialise and we are continuing to work closely with NHS colleagues to find a way to deliver this service.

Parent and family support

In 2023 the counselling service was remodelled and a cohort of third party experienced counsellors contracted to support a smaller in-house team of family counsellors. This new model of care increased choice and capacity and as a result 355 family members received counselling and bereavement support a 120% increase from 2022.

The parent and infant support group formed in 2022 grew during 2023 and was rebadged as the Sunshine Group. The aims of the group are to provide a comfortable, safe and caring environment for babies and their parents/carers to attend and experience different activities and ideas, for both babies and parents which are simple and affordable to replicate at home. Peer support is also one of the main aims of the group, giving the opportunity for parents to talk to others who have similar experiences.

OUR IMPACT

Service users, families and carers offer a unique voice on the impact of the services offered by the charity. There is an established commitment to the engagement and involvement of service users, families and carers to ensure that children and families are at the heart of what we do.

During 2023, we received 153 responses recorded via our complaints, concerns and compliments system, including 106 from parents/carers. 98% of the feedback we received was positive.

Here is a small sample of the feedback received.

"A massive thank you to all at Hope House for your incredible support this year. The past seven months have been incredibly difficult for us, there aren't many occasions we are able to 'switch off' from giving the 24/7 care he needs - Hope House has saved us in so many ways and we will be forever grateful for the love and support we receive each and every time we visit."

"Thank you both so much for coming yesterday. It meant the world to us that you were there. I mean every word I say and said when I say we would have been lost without you two and we adore you both. I will never, ever stop trying to find ways to thank you for looking after my little girl when I didn't know how to help her and didn't know the way forward xx."

"Thank you so much for all you have done for the Sunshine Group. You have made an incredible difference to us. We have so valued the way you have welcomed us and come alongside him in a very gentle and caring way."

You have always been so willing to share your observations and give guidance, which has made a really positive impact on us. We will really miss the group, the learning and the friends we have made, Thank you for everything x."

"I thank Tŷ Gobaith for everything during his rare life. Invaluable care for families who have special children and young people x."

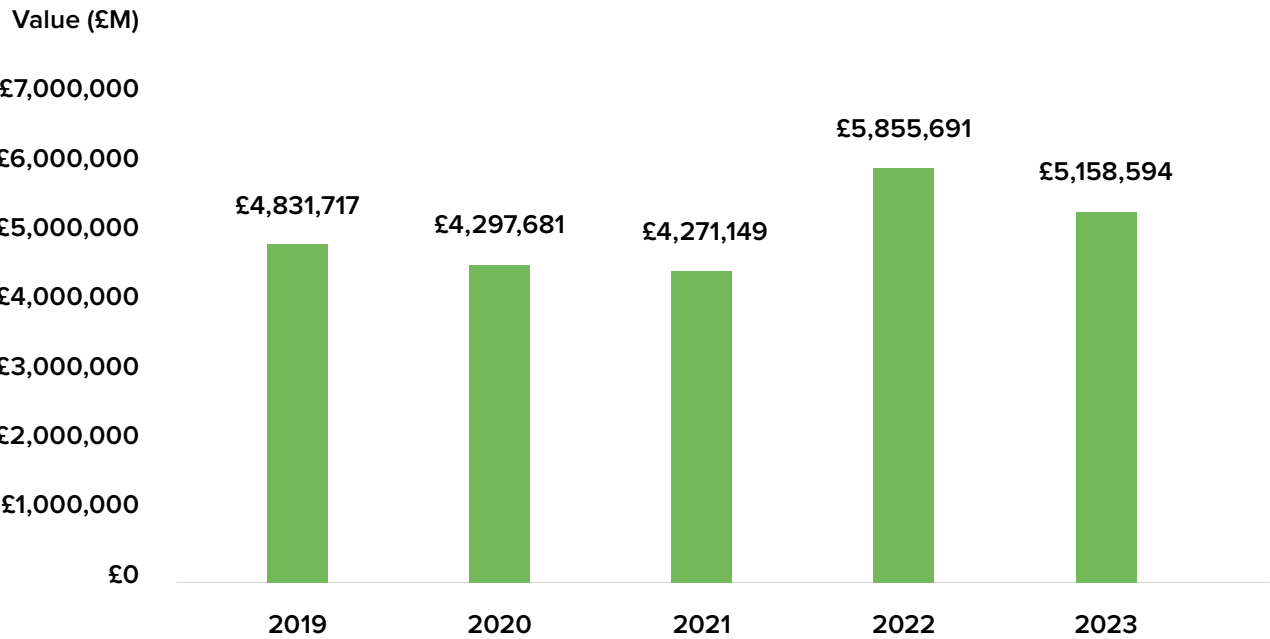
Complaints

We received one concern, and one complaint both of which were partially upheld and action taken to learn from these complaints.

OUR FUNDRAISING

Despite the ongoing cost of living pressures experienced during 2023, our extraordinary supporters have amazed us with their unfaltering support. We are eternally grateful to all those who continued to donate to us and to raise money during another challenging year.

In 2023 we raised £5.16 million from donations and legacies compared to £5.86 million in 2022. Excluding legacies, fundraising income (including regular giving, in memory, trusts and Gift Aid) has grown by 35% since 2019 to £3.4m in 2023.



Notable fundraising successes in 2023 include:

Final Moments Matter

In November 2023 we repeated our Final Moments Matter online fundraising initiative and during just 36 Hours a record £621,000 was raised to fund all end of life care in 2024.

Raffle mailings

We are incredibly grateful to families that allow us to tell their story as part of our twice yearly appeals. Our Christmas appeal 2023 raised over £100,000 and our summer appeal £80,000.

Fundraising events

- Dark runs raised £81,452 supported by match funding from Principality Building Society;
- Cheshire and Shropshire balls raised over £80,000;
- 150 individuals and organisations took part in Let’s Eat Cake, raising over £15,000.

Retail contribution

2023 was another record year for our retail operations contributing £1.1 million to the charity, net of costs.

This was a 25% increase from 2022. During 2023 we operated 15 shops and an online and mail order shop. In January 2023 we moved our shop in Wrexham to a larger unit on a retail park and during 2023 planned for a charity superstore in Oswestry that opened early in 2024.

Hope House Lottery

The Hope House weekly lottery is run in conjunction with our partner Sterling Lotteries who draw the winning numbers every Friday (www.sterlinglotteries.co.uk). The Hope House Lottery belongs to the member group HLA (www.hospicelotteries.co.uk). We adhere to the Gambling Commission regulations including contributing to begambleaware each year.

The Lottery strategy for 2023 was to:

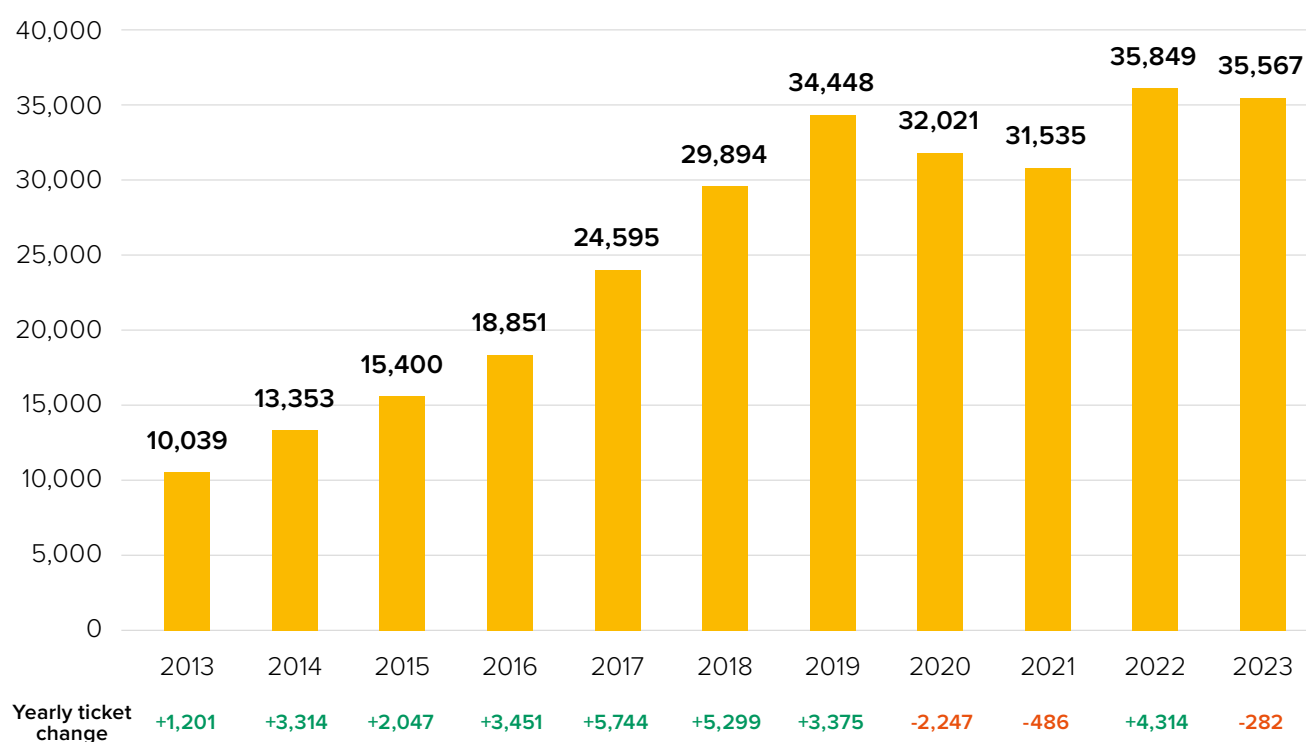
- Maintain lottery growth
- Further engage with lottery players to reduce the anticipated rise in levels of attrition
- Deliver a significant financial contribution to the charity

During the year we contracted with face-to-face canvassing agencies and individuals to recruit new supporters to the lottery through a combination of residential door to door recruitment and at venues. The business plan for 2023 set a year-end target of 37,000 entries in the weekly draw and a net contribution to Hope House Children's Hospice of just over £1,Million. We ended the year with 35,567 entries in the weekly draw and a contribution to the charity of just over £1.3 Million.



Our lottery has grown from strength to strength over the last 10 years as shown in the chart below.

Year-end Lottery lines 2008-2023



Given the size of the lottery and the population that we serve, we are unlikely to see the significant growth we experienced between 2013 and 2019 and our future strategy is to maintain player numbers through recruitment and a focus on player engagement to reduce cancellations and maintain profitability.

Our fundraising standards

Donors, supporters and volunteers can be confident that Hope House Children's Hospices complies with the regulatory standards for fundraising. We are registered with the Fundraising Regulator and are committed to the Fundraising Promise and adherence to the Code of Fundraising Practice.

Our reputation with those who need our services and to those who kindly donate to us is paramount. We therefore make the following promises to those who so kindly support us:

- We comply with all relevant law, regulations and codes of practice and ensure that those who are contracted to work with us understand and adhere to them in their entirety. We regularly monitor performance and have robust contracts in place to ensure compliance;
- We treat the information supporters provide with the utmost respect and use it only for the purposes for which it has been given. Supporters can change their preferences at any time, and we aim to implement those changes within two working days;
- We have a comprehensive vulnerable people's policy that is regularly reviewed and updated as required;
- We respect and value all contributions to the charity and will never do any fundraising activity that may undermine our core values or integrity.

We sometimes engage the services of third parties to help us deliver the fundraising objectives, particularly where we do not have the expertise in-house. We have safeguards in place when working with suppliers to protect our supporters and the reputation of our charity. We aim to ensure those agencies we employ also observe the highest standards in terms of fundraising practice. We manage and monitor the work undertaken on our behalf and have robust contracts in place to ensure that all activities are carried out to our high standards.

We are signed up to the Fundraising Preference Service to enable individuals to opt out from receiving fundraising communications from us.

Listening to supporters and addressing complaints

We take feedback seriously and although we strive to receive no complaints, when we did, these were prioritised and investigated, fully, quickly and fairly. Where a complaint was upheld we learnt from our mistake and acted by putting in effective measures to limit further distress or complaints of the same nature.

Our website outlines our complaints policy for the public and clearly explains how an individual can complain.

The following complaints were received in 2023 regarding our fundraising activity

- Retail: Nine complaints – Six complaints upheld and action taken.
- Fundraising including lottery: 18 complaints – Seven complaints upheld and action taken.

Given the level of activity and number of transactions in the year the level of complaints remains very low. We received no complaints or notifications via the Fundraising Regulator.

Our plans for the future

Following a systematic review from October 2023, a new mission and purpose was approved by the Board of Trustees in March 2024. During 2024 our priorities will be aligning the charity behind the new purpose.

A change programme and six workstreams have been established to lead on to aligning the charity to the new purpose.

The workstreams will focus on the following areas in 2024:

- Informed Choice;
- Understanding Needs;
- Aligning Services;
- Our People;
- Understanding Reach;
- Governance and Operations.

Ensuring a financially sustainable organisation by

Developing new and growing existing income streams, and by reviewing costs and activity to reduce expenditure.



We will invest in future long-term income generation, ensuring we have sustainable and predictable income to support our future ambitions. We will demonstrate the need for hospice services and the impact and value of the care and support so that we can hold constructive and evidenced based discussion with statutory funding partners over future funding arrangements.

We will assess the efficiency and effectiveness of functions and activity across the charity to identify opportunities to streamline processes, automate routine tasks, remove overheads, bring efficiencies and if necessary reduce activity and we will review existing contracts and agreements with suppliers e.g. service contracts, to identify opportunities for cost savings.

Creating hospice spaces fit for the future

We will engage with service users to help determine the suitability of hospice spaces for current service users and identify any gaps or areas for improvement in meeting the needs of children and their families. We will evaluate the impact of changes in the demographics of children and families.

We will raise funds and invest in physical improvements to hospice spaces including the creation of a new end of life suite at Tŷ Gobaith and gardens at Hope House ensure that spaces and hospice buildings remain child and family-centred and adaptable to individual needs and preferences.

Where financially viable we will as part of our programme incorporate sustainability and green building practices, to minimise energy consumption, reduce waste, and promote a healthy environment.

FINANCIAL REVIEW

Financial performance in 2023 significantly exceeded expectations and the receipt of an unbudgeted grant from Welsh Government at the end of the year turned a small deficit into a small surplus for the year.

Income

The fundraising team generated a total income during this period of £5.16 million from donations and gifts in wills compared to £5.86 million in 2022. Income from gifts in wills was £1.7 million (2022: £2.6 million) although significant income was received from gifts in wills accounted for in the previous year in accordance with accounting principles. Gifts in wills remains a significant source of funding for the charity and an area of focus.

Our shops continued to perform well making a net contribution to the charity of over £1 million. The same was seen with our Lottery which also made a net contribution to the charity of £1.3 million.

Hope House Children's Hospices maintained its strong relationships with healthcare commissioners, who invested in the services we delivered to local children and families. During 2023 Hope House Children's Hospices received £1.65m in funding from statutory bodies towards service provision. We are grateful to the UK and Welsh Governments and NHS organisations in England and Wales for the financial support they continued to provide.

Expenditure

Significant investment in care services, income generation, people development, and supporting infrastructure was made during 2023, with total expenditure increasing by over £1.3 million from 2022 to £12.6 million, driven primarily by increased numbers of staff and wage inflation in order to recruit and retain high calibre staff.

Overall, Hope House Children's Hospices spent £8.2 million (2022: £7.3 million) on charitable activities, excluding fundraising. Overall around 85% of total expenditure (excluding trading activities) is on charitable activity. Over 63% of expenditure on charitable activities was on staff costs.

Excluding expenditure on lottery and trading activities, £1.5 million was spent on fundraising.

Reserves policy

Hope House Children's Hospices maintains reserves to help ensure that children and families in the future will continue to be able to access care and support. It is recognised that where income falls short of costs in the longer term that a reduction in service delivery may be required and the trustees will consider carefully how this will be managed to maintain the maximum benefit to children and families through the delivery of our charitable purpose.

Reserves are held for the following purposes:

To manage short term income shortfalls

Each income stream is assessed as to the likelihood and degree of an income shortfall. Reserves are held at a level sufficient to ensure service continuity for two years if income falls short of forecast, whilst steps are taken to reduce costs.

To adjust costs to match income

Reserves are held to restructure costs in the event of income not meeting forecast. The money would primarily be used to meet the costs of reducing the workforce by up to 25%.

To provide for catastrophic events

Through a risk management process, we seek to rationalise, quantify and avoid events occurring and insure against those risks that cannot be removed. However, there is always the potential of an unforeseen catastrophic event occurring. It is impossible to quantify such an event but there is sense in holding reserves to mitigate impact or aid recovery should one occur.

Level of reserves

For the period 2023 to 2025, reserves will be held at the levels below. If reserves fall below these levels then action will be taken to reduce costs within the following 12 months in accordance with agreed priorities, bringing expenditure and income into balance. The level of reserves and compliance with the policy will be considered by the Board of Trustees quarterly and the policy will be reviewed by December 2025.

Purpose for which reserves are held	Minimum reserves at year end		
	2023	2024	2025
To manage income shortfalls	2,826,000	2,853,000	2,976,125
To adjust costs	1,000,000	1,000,000	1,000,000
To respond to a catastrophic event	350,000	350,000	350,000
Total	4,176,000	4,203,000	4,326,125

The level of reserves have been determined through a risk based reserves calculation that accounts for high levels of uncertainty over income offset by a fairly static cost base.

An additional £1.5 million is held as working capital to meet short term cash flow requirements so the total funds required by policy at the end of each year are as follows:

Year	Total Reserves
2023	£5,676,000
2024	£5,703,000
2025	£5,826,125

Following three years of significant surplus, reserves during 2023 were substantially above policy and in December 2023 the Board of Trustees establishment of three designated funds for the financial years 2023 - 2025.

- Hospices Modernisation and Enhancement Fund - £1,000,000
- Retail Growth & Development Fund - £500,000
- Purpose & Impact Alignment Fund - £1,500,000.

Unlike the current contingency designated funds (for which the reserves policy determines the minimum level that must be maintained), the funds are designated with the specific intent to spend them. Designating funds in this way will both allow the Board and delegated committees, to draw on designated funds in pursuit of the charity's purpose and demonstrate to external funders and stakeholders why these funds are being held.

Investment policy

The investment portfolio is managed by the Income & Investment Committee of the Board of Trustees. In general terms, the aim is to spread risk across several sectors as follows:

- Cash in UK registered current, deposit and overnight bank accounts.
- Shares traded on the London Stock Exchange and overseas.
- Freehold and leasehold land.
- Shares and other investments donated to the charity (after a full financial review of the investment at the next appropriate investment committee meeting).
- Shares in subsidiary companies.
- Unit trusts, open ended investment companies, trust companies and the like.

The Income and Investments Committee is mindful of its key responsibility of keeping the finances of the charity as secure as possible and therefore have adopted a medium risk investment strategy. The committee engaged the services of Investec Wealth and Investment and Parmenion Capital Partners to manage the charity's equity portfolio and received independent financial advice from Best Practice IFA.

The performance of the Investment Manager and Portfolio is reviewed regularly by the Income and Investment Committee and performance is assessed against the Balanced Asset Benchmark produced by Asset Risk Consultants (ARC).

TRUSTEES' RESPONSIBILITIES STATEMENT

The trustees (who are also directors of Hope House Children's Hospices for the purposes of company law) are responsible for preparing the trustees' report (including the group director's and strategic report) and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS102);
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable group will continue in operation.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company and the group's transactions and disclose with reasonable accuracy at any time the financial position of the charitable group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

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

- so far as that trustee is aware, there is no relevant audit information of which the charitable group's auditors are unaware, and
- that trustee has taken all the steps that ought to have been taken as a trustee in order to be aware of any relevant audit information and to establish that the charitable group's auditors are aware of that information.

This report, incorporating the group strategic report, was approved by the trustees, in their capacity as company directors, on 26th June 2024 and signed on their behalf by:



Steve Henly
Chair of Trustees





INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HOPE HOUSE CHILDREN'S HOSPICES

Opinion

We have audited the financial statements of Hope House Children's Hospices (the 'charitable parent company') and its subsidiaries ('the group') for the year ended 31 December 2023 which comprise the group statement of financial activities, the group balance sheet, the charitable company balance sheet, the group statement of cash flows and the related notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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 of 31 December 2023 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'; 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the group and the charitable company 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 trustees' use of 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 charity's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

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

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the report of the trustees, which includes the directors' report for the purpose of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the report of the trustees has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the environment of the charitable company and the group obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the report of the trustees.

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

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

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

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Enquiry of management and those charged with governance around actual and potential litigation and claims;
- Reviewing minutes of meetings of those charged with governance;
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias;
- Enquiry of management and those charged with governance to identify any instances of non-compliance with laws and regulations.

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

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Company is subject to many other laws and regulations where the consequence of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance the imposition of fines or litigation or the loss of the Company's license to operate. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to the enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

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

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

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

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 auditors' 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.

Helen Furlong FCCA (Senior Statutory Auditor)
For and on behalf of Xinadin Audit Limited

21st June 2023

Chartered Accountants
Statutory Auditor
Unit 2
Hilliards Court
Chester Business Park
Chester
CH4 9QP

Notes:

1. The maintenance and integrity of the Hope House Children's Hospices website is the responsibility of the trustees; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the web site.

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 DECEMBER 2023

		Unrestricted funds	Restricted funds	2023 Total funds	2022 Total funds
	Note	£	£	£	£
INCOME					
Donations and legacies	3	4,708,362	450,232	5,158,594	5,855,691
Income from trading activities	4	5,268,594	-	5,268,594	4,683,074
Income from charitable activities	5	-	1,648,919	1,648,919	1,413,222
Investment income	6	188,735	-	188,735	144,909
Other income	7	-	-	-	179,964
TOTAL INCOME		10,165,691	2,099,151	12,264,842	12,276,860
EXPENDITURE					
Expenditure on raising funds:					
Raising funds within the charity	8	1,507,485	-	1,507,485	1,263,702
Expenditure on trading activities	9	2,954,393	-	2,954,393	2,793,998
Expenditure on charitable activities	10	6,245,135	1,927,553	8,172,688	7,252,312
TOTAL EXPENDITURE		10,707,013	1,927,553	12,634,566	11,310,012
NET (DEFICIT)/SURPLUS FOR THE YEAR		(541,322)	171,598	(369,724)	966,848
Movement in revaluation reserve	17	65,764	-	65,764	-
Gains on revaluation of investments	18	348,883	-	348,883	(726,159)
Gross transfer between funds		126,817	(126,817)	-	-
NET MOVEMENT IN FUNDS FOR THE YEAR		142	44,781	44,923	240,689
Total funds at 1 January	22	15,461,979	184,962	15,646,941	15,406,252
TOTAL FUNDS AT 31 DECEMBER		15,462,121	229,743	15,691,864	15,646,941

All activities relate to continuing operations. The Statement of Financial Activities includes all gains and losses recognised in the year.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

The notes on pages 41 to 62 form part of these financial statements.

CONSOLIDATED BALANCE SHEET

FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	£	2023 £	£	2022 £
FIXED ASSETS					
Tangible assets	16		4,811,226		4,872,793
Investment property	17		409,999		344,235
Investments	18		7,719,316		6,219,160
			<u>12,940,541</u>		<u>11,436,188</u>
CURRENT ASSETS					
Stocks	19	19,514		14,073	
Debtors	20	1,866,827		2,408,586	
Cash at bank and in hand		<u>1,663,988</u>		<u>2,447,991</u>	
		3,550,329		4,870,650	
CREDITORS					
Amounts falling due within one year	21	<u>(799,006)</u>		<u>(659,897)</u>	
NET CURRENT ASSETS			2,751,323		4,210,753
NET ASSETS			<u>15,691,864</u>		<u>15,646,941</u>
CHARITY FUNDS					
22					
Unrestricted funds:					
Designated funds			7,176,000		5,210,000
General funds			8,220,357		10,251,979
Revaluation reserve			<u>65,764</u>		<u></u>
			15,462,121		15,461,979
Restricted funds			229,743		184,962
TOTAL FUNDS			<u>15,691,864</u>		<u>15,646,941</u>

The financial statements were approved by the trustees on 26th June 2024 and signed on their behalf by:



Stephen Henly
Chair of Trustees

The notes of pages 41 to 62 form part of these financial statements.

CHARITY BALANCE SHEET

FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	£	2023 £	£	2022 £
FIXED ASSETS					
Tangible assets	16		4,811,226		4,872,793
Investment property	17		409,999		344,235
Investments	18		7,719,320		6,219,164
			<u>12,940,545</u>		<u>11,436,192</u>
CURRENT ASSETS					
Stocks	19	18,274		12,485	
Debtors	20	2,011,478		2,399,390	
Cash at bank and in hand		1,350,151		2,305,943	
		<u>3,379,903</u>		<u>4,717,818</u>	
CREDITORS					
Amounts falling due within one year	21	(635,016)		(513,500)	
NET CURRENT ASSETS					
			2,744,887		4,204,318
NET ASSETS					
			<u>15,685,432</u>		<u>15,640,510</u>
CHARITY FUNDS					
Unrestricted funds:					
Designated funds	22		7,176,000		5,210,000
General funds			8,213,925		10,245,548
Revaluation reserve			65,764		-
			<u>15,455,689</u>		<u>15,455,548</u>
Restricted funds			229,743		184,962
TOTAL FUNDS					
			<u>15,685,432</u>		<u>15,640,510</u>

The financial statements were approved by the trustees on 26th June 2024 and signed on their behalf by:



Stephen Henly
Chair of Trustees

As permitted by s408 Companies Act 2006, the charitable company has not presented its own statement of financial activities and related notes. The charitable company's surplus for the year was £88,237 (2022: £240,689).

The notes of pages 41 to 62 form part of these financial statements.

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	2023 £	2022 £
Cash provided by operating activities	CF1	<u>545,239</u>	<u>880,353</u>
Cash flows from investing activities:			
Purchase of tangible fixed assets		(329,242)	(489,354)
Purchase of investment property		-	(201,601)
Purchase of listed investments		(1,000,000)	-
Cash used on investing activities		<u>(1,329,242)</u>	<u>(690,955)</u>
Increase/(Decrease) in cash and cash equivalents in the year		(784,003)	189,398
Cash and cash equivalents at the beginning of the year	CF2	<u>2,447,991</u>	<u>2,258,593</u>
Cash and cash equivalents at the beginning of the year	CF2	<u>1,663,988</u>	<u>2,447,991</u>

The notes on pages 41 to 62 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

CF 1 RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2023 £	2022 £
Net income for the reporting period (as per the statement of financial activities)	44,923	240,689
Adjustments for:		
Income from investments	(188,735)	(144,909)
Revaluation of investments	(348,883)	726,159
Revaluation of investment property	(65,764)	-
Investment management fees	37,462	35,888
Depreciation of tangible fixed assets	390,809	437,521
(Increase)/decrease in stocks	(5,441)	(4,575)
(Increase)/decrease in debtors	541,759	(452,229)
Increase in creditors	139,109	41,809
Net cash provided by operating activities	545,239	880,353

CF 2 ANALYSIS OF CASH AND CASH EQUIVALENTS

	2023 £	2022 £
Cash at bank and in hand	1,663,988	2,447,991
Total cash and cash equivalents	1,663,988	2,447,991

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

1. ACCOUNTING POLICIES

Charity information

Hope House Children's Hospices is a registered charity and private company limited by guarantee incorporated in England and Wales. The registered office is Nant Lane, Morda, Oswestry SY10 9BX.

The group consists of Hope House Children's Hospices and all of its subsidiaries.

The charitable company's financial statements have been prepared in compliance with the Charities SORP (FRS 102) issued 1 January 2015 (update bulletin 2, effective 1 January 2019).

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's governing document, the Companies Act 2006 and "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)" (as amended for accounting periods commencing from 1 January 2019). The charitable company is a Public Benefit Entity as defined by FRS 102. The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain financial instruments at fair value. The principal accounting policies adopted are set out below.

The charitable company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The charity has therefore taken advantage of exemptions from the following disclosure requirements for parent company information presented within the consolidated financial statements:

- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues': Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

1.2 Basis of consolidation

The consolidated financial statements incorporate those of Hope House Children's Hospices and all of its subsidiaries (i.e. entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits) on a line-by-line basis. All financial statements are made up to 31 December 2023.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

1.3 Preparation of the accounts on a going concern basis

The trustees have considered the future trading of the charitable company and the group and have prepared cash flow forecasts for a period of 12 months from the date of these financial statements.

At the time of approving the financial statements, the trustees have a reasonable expectation that the charitable company and group have adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.4 Incoming resources

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

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution.

Where legacies have been notified to charities or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Income from charitable activities is grant income received from local government, this is recognised when the charity has entitlement to the funds, any performance conditions have been met and the amount can be reliably measured.

Other income relates to support provided to the charity throughout the COVID-19 pandemic and includes; Coronavirus Job Retention Scheme grants, retail support grants and hospice support grants. Income is recognised on receipt or when the amount can be reliably measured.

1.5 Donated services and facilities

Donated professional services and donated facilities are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item is probable and the economic benefit can be measured reliably.

In accordance with the Charities SORP (FRS102), the general volunteer time is not recognised, refer to the trustees' annual report for more information about their contribution.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

1.6 Interest receivable

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

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation. Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable..

1.7 Fund accounting

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

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

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

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

1.8 Expenditure

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

- Costs of raising funds comprises fundraising costs incurred in seeking donations, grants and legacies, costs of fundraising activities including the costs of commercial trading, shop trading and the lottery and their associated support costs.
- Expenditure on charitable activities includes the cost of providing care and associated support.

1.9 Allocation of support costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include head office costs, finance, personnel, payroll and governance costs and also include project management carried out centrally. Governance costs are those incurred in connection with administration of the charity and compliance with constitutional and statutory requirements.

1.10 Operating leases

The charity classifies the lease of shop premises and vehicles as operating leases. Rentals under operating leases are charged on a straight line basis over the term of the lease.

1.11 Tangible fixed assets

Individual fixed assets costing £1,000 or more were capitalised at cost in the year including any incidental expenses of acquisition.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold buildings	40 years straight line
Freehold land	nil
Plant and machinery	4 – 10 years straight line
Motor vehicles	5 – 10 years straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

1.12 Investment Property

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. Changes in fair value are recognised in profit or loss and transferred to a non-distributable profit reserve.

1.13 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Transaction costs are expensed as incurred. Changes in fair value are recognised in the statement of financial activities throughout the year.

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

1.14 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

1.15 Debtors

Debtors are recognised at the settlement amount due after any trade discounts offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.16 Cash at bank and in hand

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

1.17 Creditors and provisions

Creditors and provisions are recognised where 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. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

1.18 Pensions

The group and charity operates a defined contribution pension scheme and the pension charge represents the amounts payable by the group and charity to the fund in respect of the year.

1.19 Financial Instruments

The charitable company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charitable company's balance sheet when the charitable company becomes party to the contractual provisions of the instrument. Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method. Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charitable company's contractual obligations expire or are discharged or cancelled.

1.20 Critical accounting estimates and judgements

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

Determining residual values and useful economic lives of tangible fixed assets

The group depreciates tangible assets over their estimated useful lives based on historic performance. The actual lives can vary.

Recognition of legacy income

The group recognises receipt of a legacy when the receipt is probable, the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. This can often be several months before the actual receipt which can vary.

2. LEGAL STATUS

The charity is a company limited by guarantee. The members of the company are the trustees named on page 1. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

3. INCOME FROM DONATIONS AND LEGACIES

	2023 Unrestricted funds £	2023 Restricted funds £	2023 Total funds £	2022 Total funds £
Donations	2,621,014	450,232	3,071,246	2,774,812
Legacies	1,734,002	-	1,734,002	2,555,931
Tax recovered – gift aid	304,518	-	304,518	238,466
Other income	48,828	-	48,828	286,482
	<u>4,708,362</u>	<u>450,232</u>	<u>5,158,594</u>	<u>5,855,691</u>

INCOME FROM DONATIONS AND LEGACIES – 2022 COMPARATIVES

	2022 Unrestricted funds £	2022 Restricted funds £	2022 Total funds £
Donations	2,375,933	398,879	2,774,812
Legacies	2,555,931	-	2,555,931
Tax recovered – gift aid	238,466	-	238,466
Other income	286,482	-	286,482
	<u>5,456,812</u>	<u>398,879</u>	<u>5,855,691</u>

Incoming resources from non-exchange transactions

Donated goods and facilities for which there was no income recorded were received to a value of £80,582 (2022: £55,636). No conditions were attached to these donations.

In addition to paid staff, the charity was supported by 614 (2022: 480) active volunteers during the year. As a result, in 2023 volunteers provided 84,039 hours (2022: 66,568 hours) of volunteering worth equivalent of £1,022,393 (2022: £725,132) in salary costs.

4. INCOME FROM TRADING ACTIVITIES

	2023 Unrestricted funds £	2023 Restricted funds £	2023 Total funds £	2022 Total funds £
Hope House (Trading) Limited	85,114	-	85,114	82,585
Hope House (Lottery) Limited	2,010,753	-	2,010,753	1,866,821
Hope House Children's Hospices	3,172,727	-	3,172,727	2,733,668
	<u>5,268,594</u>	<u>-</u>	<u>5,268,594</u>	<u>4,683,074</u>

The 2022 total income from trading activities was unrestricted. The trade of Hope House (Trading) Limited is derived from the purchase and sale of merchandise (new goods). Hope House (Lottery) Limited operates the lottery scheme and raffle. Trading activities in Hope House Children's Hospices represents the sale of donated goods in the charity shops.

5. INCOME FROM CHARITABLE ACTIVITIES

	2023 Unrestricted funds £	2023 Restricted funds £	2023 Total funds £	2022 Total funds £
Income from statutory bodies	-	1,648,919	1,648,919	1,413,222

Analysed as:

	2023 Unrestricted funds £	2023 Restricted funds £	2023 Total funds £	2022 Total funds £
Welsh LHB grants	-	214,956	214,956	240,612
NHS England grant	-	307,240	307,240	329,249
English CCG grants	-	318,247	318,247	267,288
NHS/WHA - Pensions	-	80,256	80,256	72,554
NHS EOL grants	-	-	-	170,949
NHS Wales – Hospice funding	-	426,624	426,624	319,968
Kickstart	-	-	-	12,602
Southampton Hospital	-	301,596	301,596	-
	-	1,648,919	1,648,919	1,413,222

All income from charitable activities in 2022 was restricted.

6. INVESTMENT INCOME

	2023 Unrestricted funds £	2023 Restricted funds £	2023 Total funds £	2022 Total funds £
Hope House (Lottery) Limited	2	-	2	-
Hope House Children's Hospices	188,733	-	188,733	144,909
	188,735	-	188,735	144,909

Investment income has arisen on the dividends and interest earned on the group's and charity's listed investment portfolio. All investment income in 2022 was unrestricted.

7. OTHER INCOME

	2023 Unrestricted funds £	2023 Restricted funds £	2023 Total funds £	2022 Total funds £
Hospice support income	-	-	-	179,964
	-	-	-	179,964

Hospice support income was fully restricted in 2022. This reflects the NHS England funding to allow the hospice to make available bed capacity and community support to provide support to people with complex needs in the context of COVID-19. NHS Wales also provided funding to maintain core service provision.

8. EXPENDITURE ON RAISING FUNDS WITHIN THE CHARITY

	2023 Total funds £	2022 Total funds £
Promotional materials	75,464	45,029
Designing and brand promotion	36,861	25,451
Printing, postage, stationery and IT	44,529	32,493
Event expenses	117,183	98,469
Insurance	5,929	5,248
Telephone	14,491	10,340
Travelling expenses	21,409	11,997
Training and conferences	351	9,367
General expenses	11,643	26,693
Payment processing fees	43,899	32,851
Fundraising staff costs	1,094,502	916,794
Investment management costs	37,456	35,888
Commission paid	1,042	13,082
Innovation fund	2,726	-
	<u>1,507,485</u>	<u>1,263,702</u>
Attributable to:		
Unrestricted funds	1,507,485	1,263,702
Restricted funds	-	-
	<u>1,507,485</u>	<u>1,263,702</u>

9. EXPENDITURE ON TRADING ACTIVITIES

	2023 Unrestricted funds £	2023 Restricted funds £	2023 Total funds £	2022 Total funds £
Hope House (Trading) Limited	56,120	-	56,120	42,630
Hope House (Lottery) Limited	727,055	-	727,055	816,861
Hope House Children's Hospices	2,171,218	-	2,171,218	1,934,507
	<u>2,954,393</u>	<u>-</u>	<u>2,954,393</u>	<u>2,793,998</u>

All expenditure on trading activities in 2022 was unrestricted.

The trade of Hope House (Trading) Limited is derived from the purchase and sale of merchandise (new goods) and the operation of the Retail Gift Aid scheme. Hope House (Lottery) Limited operates the lottery scheme. Trading activities in Hope House Children's Hospices represents the sale of donated goods in the charity shops.

10. EXPENDITURE ON CHARITABLE ACTIVITIES

		2023 Total funds £	2022 Total funds £
	Note		
Repairs and maintenance		162,867	92,049
Heat and light		88,908	84,351
Water charges		9,357	12,108
Printing, postage, stationery and IT		52,505	50,651
Housekeeping		92,626	65,477
Insurance		34,652	27,713
Telephone		39,829	28,128
Food and catering		94,443	64,022
Motor expenses		21,529	22,829
Vehicle lease charges		7,755	8,047
Travelling expenses		31,296	22,438
Training and conferences		33,776	58,225
Recruitment		-	536
General expenses		138,908	158,928
Nursing consumables		33,238	27,823
Medical cover		73,846	66,410
Care database & software subscriptions		100,077	56,485
Wages and salaries		5,253,787	4,695,255
Agency		3,264	7,043
Depreciation		342,376	338,875
Rent		28,760	27,500
Innovation fund		2,481	-
		<u>6,646,280</u>	<u>5,914,893</u>
Share of support costs	11	1,491,381	1,265,557
Share of governance costs	11	35,027	71,862
		<u>8,172,688</u>	<u>7,252,312</u>
Attributable to:			
Unrestricted funds		6,245,135	5,417,024
Restricted funds		<u>1,927,553</u>	<u>1,835,288</u>
		<u>8,172,688</u>	<u>7,252,312</u>

All expenditure in 2023 and 2022 was attributable to hospice activities undertaken directly.

11. SUPPORT AND GOVERNANCE COSTS

	Note	Total 2023 £	Total 2022 £
Support Costs			
Printing, postage, stationery and IT		34,563	21,331
Telephone		23,565	11,734
Water charges		1,768	451
Light and heat		1,171	2,238
Repairs and maintenance		3,660	36,541
General expenses		124,714	113,352
Travelling expenses		20,993	13,850
Training and conferences		42,736	3,317
Wages and salaries		1,026,464	928,506
Agency and recruitment		21,534	22,154
Apprentice levy		32,366	16,791
Staff benefit scheme		25,832	17,243
Bank charges		17,205	19,105
Insurance		8,650	6,960
Rent and service charges		19,062	15,250
Irrecoverable VAT		5,665	13,635
Research project		-	23,099
Software subscriptions		81,433	-
		<u>1,491,381</u>	<u>1,265,557</u>
Governance Costs			
Audit fees		6,000	5,600
Trustees governance costs		4,619	3,209
Professional fees		24,408	63,053
		<u>35,027</u>	<u>71,862</u>
		<u>1,526,408</u>	<u>1,337,419</u>
Analysed between:			
Charitable activities	10	<u>1,526,408</u>	<u>1,337,419</u>

12. NET INCOME

	2023 £	2022 £
This is stated after charging:		
Depreciation of owned tangible fixed assets	390,809	437,521
Auditors remuneration – audit of group	5,000	5,600
Auditors remuneration – non-audit services	<u>2,500</u>	<u>2,500</u>

13. TRUSTEE'S REMUNERATION AND BENEFITS

During the year, no trustees received any remuneration (2022: £Nil). During the year, no trustees received any benefits in kind (2022: £Nil). No trustees were reimbursed expenses (2022: £nil). Expenses totalling £1,406 (2022: £1,456) for travel were waived by trustees during the year. The charity incurred costs of £4,619 (2022: £3,209) in relation to the trustees that are compulsory for them to conduct their roles. These expenses include: indemnity insurance, CRB checks and safeguarding training.

14. STAFF BENEFITS

	Group		Charity	
	2023 £	2022 £	2023 £	2022 £
Wages and salaries	7,563,828	6,661,886	7,525,500	6,623,497
Social security costs	658,901	595,794	656,687	593,661
Other pension costs	559,402	485,558	557,231	483,835
	<u>8,782,131</u>	<u>7,743,238</u>	<u>8,739,418</u>	<u>7,700,993</u>

The average monthly number of employees during the year was as follows:

	Group		Charity	
	2023 No.	2022 No.	2023 No.	2022 No.
Hospice services	161	145	161	145
Fundraising and publicity	28	23	28	23
Support	27	23	27	23
Retail and lottery	69	60	66	56
	<u>285</u>	<u>250</u>	<u>282</u>	<u>246</u>

The number of higher paid employees (excluding employer pension costs) was as follows:

	Group		Charity	
	2023 No.	2022 No.	2023 No.	2022 No.
In the band:				
£70,001 - £80,000	2	2	2	2
£90,000 - £100,000	1	1	1	1
£100,001 - £110,000	1	1	1	1
	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>

The key management personnel of the group, comprise the Trustees', the Chief Executive Officer, Director of Income Generation and Communications, Director of Care, Director of Finance and Transformation plus the Directors of the wholly owned subsidiaries. The total employee benefits of the key management personnel were £462,412 (2022: £415,206).

15. 2022 COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Note	Unrestricted funds £	Restricted funds £	2022 Total funds £
INCOME				
Donations and legacies	3	5,456,812	398,879	5,855,691
Income from trading activities	4	4,683,074	-	4,683,074
Income from charitable activities	5	-	1,413,222	1,413,222
Investment income	6	144,909	-	144,909
Other income	7	-	179,964	179,964
TOTAL INCOME		10,284,795	1,992,065	12,276,860
EXPENDITURE				
Expenditure on raising funds:				
Raising funds within the Charity	8	1,263,702	-	1,263,702
Expenditure on trading activities	9	2,793,998	-	2,793,998
Expenditure on charitable activities	10	5,417,024	1,835,288	7,252,312
TOTAL EXPENDITURE		9,474,724	1,835,288	11,310,012
NET SURPLUS FOR THE YEAR		810,071	156,777	966,848
Loss on revaluation of investments	18	(726,159)	-	(726,159)
Gross transfer between funds		138,635	(138,635)	-
NET MOVEMENT IN FUNDS FOR THE YEAR		222,547	18,142	240,689
Total funds at 1 January	22	15,239,432	166,820	15,406,252
TOTAL FUNDS AT 31 DECEMBER		15,461,979	184,962	15,646,941

16. TANGIBLE FIXED ASSETS

Group and Charity

	Freehold Property £	Plant and Equipment £	Motor Vehicles £	Total £
COST				
At 1 January 2023	6,925,189	1,911,319	173,953	9,010,461
Additions	-	321,747	7,495	329,242
Disposals	-	-	(5,100)	(5,100)
At 31 December 2023	6,925,189	2,233,066	176,348	9,334,603
DEPRECIATION				
At 1 January 2023	2,987,950	1,028,059	121,659	4,137,668
Charge for year	157,927	225,946	6,936	390,809
Eliminated on disposal	-	-	(5,100)	(5,100)
At 31 December 2023	3,145,877	1,254,005	123,495	4,523,377
NET BOOK VALUE				
At 31 December 2023	3,779,312	979,061	52,853	4,811,226
At 31 December 2022	3,937,239	883,260	52,294	4,872,793

Freehold property comprises the following: Hope House Hospice building and land, Tŷ Gobaith building and land, Administration Bungalow and the Bangor Shop. The freehold land is held at a cost of £608,106 (2022: £608,106), which is not depreciated.

During the year, the charity purchased tangible fixed assets totalling £126,817 (2022: £138,635) funded by restricted donations and grants. As the performance conditions on these assets purchases have been met, the funding has been transferred to the general fund.

At 31 December 2023 the charity had received £45,600 (2022: £71,080) in restricted funding for the acquisition of tangible fixed assets which had not been completed at the year end. This income has been carried forward in the restricted fund.

17. INVESTMENT PROPERTY

Group and Charity

	Total £
FAIR VALUE	
At 1 January 2023	344,235
Revaluation	65,764
At 31 December 2023	409,999

The investment properties held by the charity are the buy to let property of, 81 Borfa Green, Welshpool and 2 Parciau Bach, Criccieth, a property previously bequeathed to the group and the charity.

The properties have been revalued to reflect their fair values in the accounts. The Welshpool property's fair value is based on the market value price per a marketing report carried out by Morris Marshall Poole, independent valuers, who are not connected to the charity, on 4 April 2024.

The market value of the Criccieth property was arrived at on the basis of a valuation carried out by TP & Co Surveying, independent valuers, who are not connected to the charity, on 5 April 2024.

The trustees consider these valuations to be appropriate as at 31 December 2023.

The historic cost of the properties is £344,235.

See note 22 for the impact on the group's and charity's reserves.

18. FIXED ASSET INVESTMENTS

	Listed securities £	Cash and settlements pending £	Total £
Group – market value			
At 1 January 2023	6,067,909	151,251	6,219,160
Additions	2,352,551	-	2,352,551
Disposals	(1,192,296)	-	(1,192,296)
Revaluations	348,883	-	348,883
Movement on cash account	-	(8,982)	(8,982)
At 31 December 2023	7,577,047	142,269	7,719,316

	Listed securities £	Cash and settlements pending £	Shares in subsidiaries £	Total £
Charity – market value				
At 1 January 2023	6,067,909	151,251	4	6,219,164
Additions	2,352,551	-	-	2,352,551
Disposals	(1,192,296)	-	-	(1,192,296)
Revaluations	348,883	-	-	348,883
Movement on cash account	-	(8,982)	-	(8,982)
At 31 December 2023	7,577,047	142,269	4	7,719,320

If the listed investments were recorded at historic cost they would be stated at £7,119,737 (2022: £5,906,117) in the group and charity.

18. FIXED ASSET INVESTMENTS (CONTINUED)

Group and charity listed investments at market value comprise:

	UK £	Overseas £	2023 £	2022 £
Listed investments	3,889,136	3,687,911	7,577,047	6,067,909
Investment cash	142,269	-	142,269	296,880
At 31 December 2023	4,031,405	3,687,911	7,719,316	6,219,160

Charity investment in subsidiaries comprise:

Subsidiary	Company No.	Percentage shareholding	Class of shares	No of shares	Total value £
Hope House (Trading) Limited	02691088	100	Ordinary £1	2	2
Hope House (Lottery) Limited	05066936	100	Ordinary £1	2	2
					4

The wholly owned trading subsidiaries, Hope House (Trading) Limited and Hope House (Lottery) Limited are incorporated in the United Kingdom. They both have the registered office of Nant Lane, Morda, Oswestry, Shropshire, SY10 9BX. Hope House (Trading) Limited and Hope House (Lottery) Limited distribute all of their profits to the Charity under Deed of Covenant.

The assets and liabilities of the subsidiaries were:

	Hope House (Trading) Limited		Hope House (Lottery) Limited	
	2023 £	2022 £	2023 £	2022 £
Current assets	2,373	2,373	312,704	173,635
Current liabilities	(804)	(804)	(307,837)	(168,768)
Aggregate share capital and reserves	1,569	1,569	4,867	4,867
Net income from trading activities	33,249	44,084	1,283,700	1,049,960

19. STOCKS

	Group		Charity	
	2023 £	2022 £	2023 £	2022 £
Goods for resale	19,514	14,073	18,274	12,485

20. DEBTORS

	Group		Charity	
	2023 £	2022 £	2023 £	2022 £
Amounts owed by group undertakings	-	-	144,651	804
Other debtors	1,662,151	2,223,126	1,662,151	2,213,126
Prepayments	204,676	185,460	204,676	185,460
	<u>1,866,827</u>	<u>2,408,586</u>	<u>2,011,478</u>	<u>2,399,390</u>

21. CREDITORS: Amounts falling due within one year

	Group		Charity	
	2023 £	2022 £	2023 £	2022 £
Trade creditors	186,895	84,459	170,366	67,788
Amounts due to fellow group undertakings	-	-	-	22,370
Other taxation and social security	169,046	155,431	169,046	155,431
Other creditors	88,088	91,842	88,088	82,192
Accruals and deferred income	354,977	328,165	207,516	185,719
	<u>799,006</u>	<u>659,897</u>	<u>635,016</u>	<u>513,500</u>

Included within creditors is deferred income totalling £228,861 (2022: £200,694) in the group and £101,156 (2022: £80,087) in the charity. Deferred income in Hope House Children's Hospices is recognised in respect of grants where the performance agreement runs across multiple periods. Deferred income is recognised in Hope House (Lottery) Limited where players place money on account in advance of the lottery being drawn. The deferred income recognised in 2022 has been subsequently recognised as income in 2023 and 2023 income will be recognised in 2024.

22. STATEMENT OF FUNDS

Group	Funds at 1 Jan 2023 £	Income £	Expenditure £	Transfers in/out £	Gains / (Losses) £	Funds at 31 Dec 2023 £
DESIGNATED FUNDS						
Workforce management	100,000	-	-	(100,000)	-	-
Service development	100,000	-	-	(100,000)	-	-
Investment in fundraising	200,000	-	-	(200,000)	-	-
Business continuity	4,810,000	-	-	(634,000)	-	4,176,000
Hospice modernisation	-	-	-	1,000,000	-	1,000,000
Retail growth	-	-	-	500,000	-	500,000
Purpose alignment	-	-	-	1,500,000	-	1,500,000
	5,210,000	-	-	1,966,000	-	7,176,000
GENERAL FUNDS						
General funds – all funds	10,251,979	10,165,691	(10,707,013)	(1,839,183)	348,883	8,220,357
Revaluation reserve	-	-	-	-	65,764	65,764
Total unrestricted funds	15,461,979	10,165,691	(10,707,013)	126,817	414,647	15,462,121
RESTRICTED FUNDS						
Restricted funds – all funds	184,962	2,099,151	(1,927,553)	(126,817)	-	229,743
Total funds	15,646,941	12,264,842	(12,634,566)	-	414,647	15,691,864

22. STATEMENT OF FUNDS (CONTINUED)

Charity	Funds at 1 Jan 2023 £	Income £	Expenditure £	Transfers in/out £	Gains / (Losses) £	Funds at 31 Dec 2023 £
DESIGNATED FUNDS						
Workforce management	100,000	-	-	(100,000)	-	-
Service development	100,000	-	-	(100,000)	-	-
Investment in fundraising	200,000	-	-	(200,000)	-	-
Business continuity	4,810,000	-	-	(634,000)	-	4,176,000
Hospice modernisation	-	-	-	1,000,000	-	1,000,000
Retail growth	-	-	-	500,000	-	500,000
Purpose alignment	-	-	-	1,500,000	-	1,500,000
	5,210,000	-	-	1,966,000	-	7,176,000
GENERAL FUNDS						
General funds – all funds	10,245,548	9,386,770	(9,928,093)	(1,839,183)	348,883	8,213,925
Revaluation reserve	-	-	-	-	65,764	65,764
Total unrestricted funds	15,455,548	9,386,770	(9,928,093)	126,817	414,647	15,455,689
RESTRICTED FUNDS						
Restricted funds – all funds	184,962	2,099,151	(1,927,553)	(126,817)	-	229,743
Total funds	15,640,510	11,485,921	(11,855,646)	-	414,647	15,685,432

22. STATEMENT OF FUNDS (CONTINUED)

2022 COMPARITIVES

Group	Funds at 1 Jan 2022 £	Income £	Expenditure £	Transfers in/out £	Gains / (Losses) £	Funds at 31 Dec 2022 £
DESIGNATED FUNDS						
Workforce management	100,000	-	-	-	-	100,000
Service development	100,000	-	-	-	-	100,000
Investment in fundraising	200,000	-	-	-	-	200,000
Business continuity	4,710,000	-	-	100,000	-	4,810,000
	5,110,000	-	-	100,000	-	5,210,000

GENERAL FUNDS

General funds – all funds	10,129,432	10,284,795	(9,474,724)	38,635	(726,159)	10,251,979
Total unrestricted funds	15,239,432	10,284,795	(9,474,724)	138,635	(726,159)	15,461,979

RESTRICTED FUNDS

Restricted funds – all funds	166,820	1,992,065	(1,835,288)	(138,635)	-	184,962
Total funds	15,406,252	12,276,860	11,310,012)	-	(726,159)	15,646,941

Charity	Funds at 1 Jan 2022 £	Income £	Expenditure £	Transfers in/out £	Gains / (Losses) £	Funds at 31 Dec 2022 £
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DESIGNATED FUNDS

Workforce management	100,000	-	-	-	-	100,000
Service development	100,000	-	-	-	-	100,000
Investment in fundraising	200,000	-	-	-	-	200,000
Business continuity	4,710,000	-	-	100,000	-	4,810,000
	5,110,000	-	-	100,000	-	5,210,000

GENERAL FUNDS

General funds – all funds	10,123,001	9,429,432	(8,619,361)	38,635	(726,159)	10,245,548
Total unrestricted funds	15,233,001	9,429,432	(8,619,361)	138,635	(726,159)	15,455,548

RESTRICTED FUNDS

Restricted funds – all funds	166,820	1,992,065	(1,835,288)	(138,635)	-	184,962
Total funds	15,399,821	11,421,497	(10,454,649)	-	(726,159)	15,640,510

22. STATEMENT OF FUNDS (CONTINUED)

DESIGNATED FUNDS

Workforce Management Fund

The trustees are conscious that the charity must operate with an appropriately skilled workforce and are very aware of their responsibilities to its employees. Funds are therefore held and designated in a Workforce Management Fund to accommodate the cost of ensuring sufficient skilled capacity across the organisation.

Changes in service delivery may result in some staff not having the necessary skills to work effectively. If unable to retrain and gain skills at the required level of competence, then this fund allows the organisation to discharge its obligation to those staff not able to maintain high standards of delivery due to circumstances beyond their control.

Payment from this fund can only be considered in cases where the benefit to both the employee and the organisation can be demonstrated.

Service Development Fund

Fundraising

There is compelling evidence to support the case for investment in fundraising. Returns are significantly better than bank investments for slightly higher risk and we can flex investment in fundraising, increasing it when the returns look good and decreasing when not.

To achieve the desired levels of growth, it is proposed that the investment in fundraising is increased to 24% of total voluntary income by 2024. Funds are designated to support this investment if required.

Care

As the needs and complexity of the children cared for by the organisation evolves, services must evolve with them. To ensure that this development is possible, funds have been designated should they be required.

Business Continuity Fund

To manage income shortfalls

Analysis has identified and assessed the risk to the income received by the charity from various sources. Reserves are held to ensure service continuity if this income falls short of the forecast, allowing time to either restore this income or reduce costs accordingly.

To adjust costs

A reserve has been designated for costs associated with restructuring the charity to reduce costs in the event of income not meeting forecast. This fund would be used primarily to meet the cost of reducing the workforce.

Catastrophic event

Through a risk management process, we seek to rationalise, quantify and avoid catastrophic events occurring and insure against those risks that cannot be removed. However, there is always the potential of an event occurring. Clearly it is impossible to quantify a catastrophic event, but it is prudent to designate a reserve fund to mitigate the impact or to aid recovery should such an event occur. Therefore, designated funds are held for catastrophic events.

Hospice modernisation

A reserve has been designated for Hospice improvements and modernisations, this is in recognition of the age of the hospice buildings and the need to invest in capital projects to ensure that we are providing the 'hospice of the future' environment. There is an internal plan and expectation that we will be able to gain additional funds for this work through Grants and Trusts.

Retail growth

There is a need in the coming years to invest in the retail shops of the hospice, this is for refurbishment, health and safety improvements, expansion and business development initiatives to increase the contribution to the main charity from the retail sector. Each shop will be reviewed on an individual basis and will have its own business case for using the reserves.

Purpose Alignment

As the Charity works through their new purpose alignment, this fund has been designated to ensure that we can continue the development of care services, the increase of the Hospices reach and sustainable charitable income growth. This will ensure that the new purpose is in place through all areas of the charity.

23. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2023	Restricted funds 2023	Total funds 2023
Group - 2023			
Tangible fixed assets	4,765,626	45,600	4,811,226
Investment property	409,999	-	409,999
Fixed asset investments	7,719,316	-	7,719,316
Current assets	3,366,186	184,143	3,550,329
Creditors due within one year	(799,006)	-	(799,006)
	15,462,121	229,743	15,691,864
	Unrestricted funds 2022	Restricted funds 2022	Total funds 2022
Group - 2022			
Tangible fixed assets	4,801,713	71,080	4,872,793
Investment property	344,235	-	344,235
Fixed asset investments	6,219,160	-	6,219,160
Current assets	4,756,768	113,882	4,870,650
Creditors due within one year	(659,897)	-	(659,897)
	15,461,979	184,962	15,646,941
	Unrestricted funds 2023	Restricted funds 2023	Total funds 2023
Charity - 2023			
Tangible fixed assets	4,765,626	45,600	4,811,226
Investment property	409,999	-	409,999
Fixed asset investments	7,719,320	-	7,719,320
Current assets	3,195,760	184,143	3,379,903
Creditors due within one year	(635,016)	-	(635,016)
	15,455,689	229,743	15,685,432
	Unrestricted funds 2022	Restricted funds 2022	Total funds 2022
Charity - 2022			
Tangible fixed assets	4,801,713	71,080	4,872,793
Investment property	344,235	-	344,235
Fixed asset investments	6,219,164	-	6,219,164
Current assets	4,603,936	113,882	4,717,818
Creditors due within one year	(513,500)	-	(513,500)
	15,455,548	184,962	15,640,510

24. PENSION COMMITMENTS

The charity makes contributions to certain pension schemes for its employees. The assets of these schemes are held separately from those of the charity in independently administered funds. The pension cost charge represents contributions payable by the group to the fund amounted to £559,402 (2022: £485,558). Charges payable by the charity amounted to £557,231 (2022: £483,835).

25. OPERATING LEASE COMMITMENTS

At 31 December 2023 the total commitments under non-cancellable operating leases as follows:

	Land and Buildings		Other	
	2023 £	2022 £	2023 £	2022 £
Group and charity				
<i>Amounts falling due</i>				
Within 1 year	368,293	395,768	18,804	19,508
Between 2 and 5 years	809,271	549,037	23,107	13,857
After more than 5 years	341,583	-	-	-
	<u>1,519,147</u>	<u>944,805</u>	<u>41,911</u>	<u>33,365</u>

During the year operating lease charges were recognised as rent expenses in the following; the cost of operating the charity shops £349,406 (2022: £345,555); hospice activities undertaken directly £28,760 (2022: £27,500); and support costs £19,062 (2022: £15,250).

During the year operating lease charges were recognised as vehicle lease expenses in the following; cost of operating charity shops £13,352 (2022: £11,735) and hospice activities undertaken directly £7,755 (2022: £8,047).

26. FINANCIAL COMMITMENTS, GUARANTEES AND CONTINGENT LIABILITIES

At 31 December 2023 the group and charity had committed to £217,838 (2022: £18,344) in ongoing capital projects in addition to restricted assets committed to.

27. RELATED PARTY TRANSACTIONS

During the year, group staff made donations to the charity and played the lottery run by Hope House (Lottery) Limited. Transactions were conducted under normal commercial terms. A policy exists to prohibit the directors of Hope House (Lottery) Limited, trustees of Hope House Children's Hospices, and senior managers and employees directly involved in the running of the lottery, from taking part in the lottery.

Trustees and their related companies made donations to the charity totalling £165,773 (2022: £122,442).

Hope House (Trading) Limited and Hope House (Lottery) Limited are 100% owned subsidiaries of Hope House Children's Hospices. All the profits of the subsidiaries for the period have been distributed by Gift Aid to the charity. The profits for the year totalled £33,249 (2022: £44,084) for Hope House (Trading) Limited and £1,283,700 (2022: £1,019,960) for Hope House (Lottery) Limited. Hope House (Trading) Limited charged £4,255 (2022: £4,129) to Hope House Children's Hospices for operating the Gift Aid scheme on the sale of new goods.

At 31st December 2023 the charity was owed £804 (2022: £804) by Hope House (Trading) Limited and was owed £143,847 by Hope House (Lottery) Limited. At 31st December 2022, the charity owed £22,370 to Hope House (Lottery) Limited.

28. ULTIMATE CONTROLLING PARTY

The charity is controlled by the trustees.





Accounts



TRUSTEE'S REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022



Charity Registration No. 1003859
Company Registration No. 2588103

HOPE HOUSE CHILDREN'S HOSPICES
TRUSTEE'S REPORT AND CONSOLIDATED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

Independent auditors





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REFERENCE AND ADMINISTRATIVE DETAILS

FOR THE YEAR ENDED 31 DECEMBER 2022

Trustees

Appointed Officers of the Board

Stephen R Henly	Chair	Company Managing Director
Barbara J Evans	Vice Chair	Retired Local Government Officer
Philip R Inch	Treasurer	Retired Financial Director

Members of the Board

Graeme Harkness	Retired Head Teacher	
Christopher C Hudson	Retired HR Professional	(resigned 7 December 2022)
Dr Supriya Kapas	Quality Assurance Pharmacist	
Andrew Morris	Company Director	
Gary Morton	Group Chief Executive	
Dr David Sharp	General Practitioner	
Kelly Stant	Solicitor	
Dr Jean B Watt	Retired Consultant Paediatrician	
Gail A Caddell	Nursing Director	(appointed 23 February 2023)
Sarah Griffith	HR Professional	(appointed 23 March 2023)

Independent Directors of Hope House (Trading) Limited

W Andrew Fergus
Andrew T Goldsmith

Independent Directors of Hope House (Lottery) Limited

Stephen R Henly
Philip R Inch
Gary Morton
Kelly Stant (resigned 23 November 2022)
Andrew Morris (appointed 23 November 2022)

Company registered number: 2588103

Charity registered number: 1003859

Registered office

Nant Lane, Morda, Oswestry, Shropshire, SY10 9BX

Company secretary

Andrew T Goldsmith

Chief executive officer

Andrew T Goldsmith

Executive leadership team

Simi Epstein	Director of Income Generation and Communications
Karen Wright	Director of Care
W Andrew Fergus	Director of Finance and Transformation

Administrative details (continued)

Independent auditors

Xeinadin Audit Limited, 2 Hilliards Court, Chester Business Park, Chester, CH4 9PX

Bankers

HSBC Bank Plc, The Cross, Oswestry, Shropshire, SY11 2SR

Solicitors

Howell Jones and Company, 36 Station Road, Llanrwyst, Conwy, LL26 0DA

Investment manager

Investec Wealth & Investment Limited, Colmore Plaza, Colmore Circus, Birmingham, B4 6AT

Investment advisor

Redbourne Wealth Management Limited, Belmont House, Shrewsbury Business Park, Shrewsbury, Shropshire, SY2 6LG

TRUSTEES' REPORT (INCORPORATING THE STRATEGIC REVIEW) FOR THE YEAR ENDED 31 DECEMBER 2022

The trustees (who are also the directors of the charity for the purposes of the Companies Act) present their annual report together with the audited financial statements of Hope House Children's Hospices (the charity and the group) for the year ended 31 December 2022. The trustees confirm that the annual report and financial statements of the charity and the group comply with the current statutory requirements, the requirements of the charity and the group's governing document and the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) (Charities SORP (FRS102)).

Going concern

After making appropriate enquiries, the trustees have a reasonable expectation that the charitable company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

LETTER FROM THE CHAIR OF TRUSTEES

Despite the continued effects of Covid on individuals, families, businesses and the economy during the year in review, I am very pleased to report that we were able to deliver more care and raise more funds than we had expected.

- We delivered an increased number of overnight stays at the hospices; which is what the families have told us is the most important service that we offer.
- We invested in the development of a Transition Pathway and the team to deliver it to empower young people being discharged from our services as they reach adulthood.
- We increased the number of families being supported at end of life and delivered outstanding care at a place of their choosing.
- We strengthened our complex care team to help deliver vital symptom control management to our children.

Whilst 2022 saw a significant increase in referrals to us, we do not believe that we are reaching anything like all of the children and families who could benefit from our services. As we emerged from the Pandemic we sought to address this. Our reserves position, and the positive increase in fundraising income, allowed us to embark on an ambitious three year strategic plan aligned to our vision. We are investing in: the growth of our services and extending our reach; in generating sustainable income; and in our people to create an even better place to work and build a career.

Project Wheat sheaf is a part of our strategic plan and is our initiative to explore whether there is an unmet need in Cheshire and, if the evidence suggests there is, how we may deliver more services to those communities.

Our supporters and donors are the lifeblood of the charity. We rely on you to help raise over 80% of our income. Whilst we are extremely grateful to receive funding from the statutory sector, just one pound in every six we raise comes from statutory funding. Without your generosity and dedication we simply could not deliver any of our services. During the year, people and businesses found new and inspiring ways to support us. Only yesterday a young person, Millie, told me that she had been inspired to set up a regular donation of £5 per month to support the work we do for life-threatened children.

Together the many thousands of people who support us helped increase our fundraising income by 34.9%. We cannot thank you enough for your support, it really is humbling.

I would like to extend a very warm welcome to the many new members of staff who joined us in 2022 and to thank those who left for their hard work, dedication and commitment especially in the last few years since the start of the Pandemic. Thanks to the commitment and dedication of our wonderful staff, volunteers and supporters we have reached more children and families who have benefited from the vital care we offer.

Looking forward, significant challenges remain not least in terms of the cost of living. The board is committed to ensuring we not only deliver on our ambitious strategic plan to expand the care we offer but also to ensure that in so doing we deliver sustainable growth. The generosity shown by those through a legacy gift is absolutely essential to us but also uncertain. We are investing in initiatives to grow our regular income alongside our fundraising activities. Our lottery and retail shops continue to perform very well.

It is a privilege and honour to chair the board but it would be impossible without our outstanding Executive Leadership Team. Children and families are at the centre of everything we do and why we do it. In the last year I have been privileged to meet many of the children and families we care for; supporters; donors and volunteers and, of course, our staff. Many of the stories that remain with me are those I hear from the children and their families about how we have supported them at a moment of crisis or how we have helped them achieve their wish, manage their pain or simply in providing much needed respite care in a safe, caring and fun environment.

As we look forward to reaching many more in the future; thank you to everyone who has supported us in the past and all of those who will support us in the future.



Steve Henly
Chair of Trustees



WHY HOPE HOUSE CHILDREN'S HOSPICES EXISTS AND OUR MISSION

Why We Are Here

'Why' is how we explain our purpose, the reason we exist and behave as we do.

There is no loss crueller than the death of a child. When your child is diagnosed with an incurable condition your heart breaks and your world falls apart. When your child dies, something dies in you too.

Facing that journey alone is terrifying. You feel so helpless. Without Hope House Children's Hospices, you struggle on, often isolated in your pain and grief. We must help.

This must stop.

No-one should face the death of a child alone.

How We Work

The 'How' is our approach to delivering our purpose and the values that underpin what we do.

We:

- Put the needs of the child and their family at the heart of everything we do
- Care for children and support families from diagnosis and continue for as long as we are able to provide the right care and support for them.
- Provide fair and equitable access to our services for everyone - regardless of location, their ethnicity, social or economic circumstances
- Deliver effective services as responsively as we can
- Raise sufficient funds and use them carefully to benefit the children and families we care for
- Value and recognise the contribution of all who help us to improve the quality of life for children and their families - our employees, volunteers, supporters and partners
- Are open and transparent in our business and activities, while protecting the rights of children and families to privacy at all times

What We Do

The 'What' is our key activities and programmes that deliver our purpose.

Hope House Children's Hospices is a centre of excellence for children's palliative care ensuring every family facing the death of a child gets the very best care and support when and where they need it.

We achieve this through the following strategies:

Income strategies

1. Communications and Marketing
2. Individual Giving and Engagement
3. Fundraising
4. Retail

Care strategy

1. Quality and Assurance
2. Family Support
3. Respite and Key Working
4. Complex Care

People and resources strategies

1. Estates and Facilities
2. Governance and Information Management
3. Human Resources and Volunteering
4. Finance and Business Planning

GOVERNANCE STRUCTURE AND MANAGEMENT OF HOPE HOUSE CHILDREN'S HOSPICES

Governing documents and legalities.

Hope House Children's Hospices is a registered charity, number 1003859 and a company limited by guarantee, incorporated under the Companies Act 1985, number 2588103. The company was established under a Memorandum of Association on 4th March 1991 and is governed under its Articles of Association.

The directors of the charitable company are its trustees for the purpose of charity law and throughout this report are collectively referred to as the trustees. The liability of trustees is limited and in the event of the company being wound up, trustees may be required to contribute an amount not exceeding one pound.

The charitable objective as set out in the Memorandum of Association in 1991 is 'To promote the relief of illness and suffering in such a way as the association shall from time to time think fit.'

Hope House Children's Hospice is registered with the Care Quality Commission and Tŷ Gobaith Children's Hospice is registered with Healthcare Inspectorate Wales as hospices for children and young adults.

Appointment of trustees

The management of the company is the responsibility of the trustees who are elected from members of the association under the terms of the Articles of Association. A formal policy sets out selection, recruitment and appointment of trustees to ensure trustees are Fit and Proper Persons to act in that capacity. The power of appointment rests with the Members of Association at an Annual General Meeting.

In accordance with the Articles of Association at the Annual General Meeting to be held every year, one third of the trustees for the time being, or if the number is not a multiple of three then the nearest to one third, retire from office. Trustees may offer themselves for re-election. The trustees to retire shall be those who have been longest in office since their last election or appointment.

The members of Association have considered and determined not to set a maximum number of terms of office that a trustee may serve as it is felt a mix of experienced and new trustees gives the board balance, and the disadvantages of imposing a maximum number of terms of office a trustee can serve outweigh the potential advantages due to the loss of skills, knowledge and experience this would unnecessarily cause and the risk that the loss of institutional memory and lack of board continuity has on the ability of the board to exercise effective governance. Trustees are subject to an annual review and the Board of Trustees is progressively refreshed with the appointment of new trustees as board members retire or where additional skills and experience is required. The decision on trustee terms of office was last reviewed in June 2022.

At the Annual General Meeting on the 14th of September 2022 Jean Watt and Chris Hudson retired by rotation and Kelly Stant retired following being drawn by lot, and being eligible were re-elected to the Board of Hope House Children's Hospices.

If a trustee position becomes available, or if the Board decides that an individual with a particular skillset would be beneficial to the charity's governance, an open recruitment process is conducted usually involving an external publicity campaign in order to find the best possible candidates for the role.

The trustees have no pecuniary interest in the company and give their services voluntarily. They receive no financial benefits from the charity but may claim expenses.

The 2023 AGM will be held at The Acota Centre Of Excellence, Maes-Y-Clawdd, Maesbury Road Industrial Estate, Oswestry SY10 8NN on Wednesday 27th of September 2023.

Trustee induction training and development

New trustees undergo an induction process to ensure that they understand their legal obligations under charity and company law, the content of the Articles of Association, the board and decision-making process, the charity's Mission, strategic plan and the recent performance. Trustees also have access to training and in early 2020 a two-year trustee training plan was approved offering a combination of on-line training and in person development sessions.

During 2022 trustees completing training in:

- Data Protection UK
- Health and Safety for Directors
- Mental Health Legislation
- Safeguarding Children and Adults at Risk
- Social Media Use

Trustees also attended development sessions on providing board assurance on the delivery of effective care and putting the community of Cheshire in the heart of Hope House Children's Hospices.

Trustees undertake an annual appraisal with the Chair of Trustees, and this helps to identify areas of concern, interest and development.

Organisational structure and decision making

The Board of Trustees administers the charity and meets once every three months. The board has established a specialist committee structure to provide an efficient mechanism for discharging the board's corporate governance responsibilities.

The committees in place during 2022 were:

- Clinical Governance,
- Income and Investments
- Audit and Risk
- HR & Remuneration

In addition, there are subsidiary Boards of Hope House (Trading) Ltd. and Hope House (Lottery) Ltd. on which the charity is represented.

Board and committee meetings were held in person and online in accordance with section 24 Proceedings of Directors, subsection (6) of the Charity's Articles of Association approved by the board on the 24th of March 2018. In limited cases decisions were made by written resolution in accordance with Article 16 of the Charity's Articles of Association.

A Chief Executive Officer is appointed by the Trustees to manage the day-to-day operations of the charity. To facilitate effective operations the Chief Executive has delegated authority, within the terms of delegation approved by the trustees for all operational matters. The trustees set the long-term goals for the organisation and the Chief Executive translates this into a strategy and business plan which is then delivered by the Chief Executive and the Executive Team.



Related Parties

Hope House (Trading) Ltd. and Hope House (Lottery) Ltd. are wholly owned subsidiaries of Hope House Children's Hospices and are consolidated as part of these accounts. Hope House (Trading) Ltd sells merchandise and Hope House (Lottery) Ltd runs the weekly lottery and regular raffles.

PRINCIPAL RISKS

The trustees have assessed the major risks to which the charity is exposed. Board reassurance is provided by the Audit and Risk Committee which considers the highest strategic risks annually with continuous monitoring. Systems or procedures have been established to mitigate the risks the charity faces.

The principal risks faced by Hope House to delivering its charitable purpose in 2022 were	
Risk of supporter dissatisfaction.	A certain level of complaint is to be expected given the level of care and fundraising activity undertaken. However, widespread supporter dissatisfaction could not be accepted as the charity is dependent for most of its income from supporters.
Failure to ensure robust information governance.	Poor information governance could lead to complaints and/or regulatory intervention and sanctions by the ICO. Reputational damage may occur impacting on support.
Shortage of clinical skills preventing delivery of the care strategy.	Due to Covid, and to protect the long-term future of Hope House, we decided to pause recruitment across the organisation until we had greater confidence in our financial position. This included recruitment into some nursing roles which has been challenging as activity increased. Nurse recruitment will continue to be difficult and it will take time to recruit to the level that we need to be able to deliver our long-term vision.
Issues with workplace culture impacting staff wellbeing and resilience.	Every aspect of our lives has been touched by Covid-19 and its impact on our staff can be felt through increased pressure at work and at home; new working practices, accelerated change and health and financial fears. We know this pressure has and will continue to have a effect on the wellbeing and resilience of our staff.
Not meeting charitable objects in Cheshire.	Hope House Children's Hospices support a small percentage of children and families in Cheshire. Other children's hospices also provide support. The data however suggests that there may be a deficit and inequity in hospice care for children and families in Cheshire.
Insufficient income to meet planned expenditure.	The Pandemic demonstrated how the charity's income is susceptible to fluctuations resulting from events beyond its control. The high levels of uncertainty over income is offset by a fairly static cost base.
Unable to meet the needs of technology dependent children.	Research has proved what is being experienced in the hospices, that children with life-limiting conditions are living with increased levels of medical complexity, including technology dependency. If we are to deliver our Mission we must ensure our staff have the skills and experience required to care for these children.

STRATEGIC REVIEW
ACTIVITIES FOR ACHIEVING OUR OBJECTIVES

In 2022 we provided specialist nursing, care and support to life-limited children and young adults and those living with a life-threatening condition. Our support extended to the whole family from diagnosis, throughout the lifetime of the child and beyond. Care was provided at Hope House in Morda near Oswestry, Shropshire and Tŷ Gobaith in Conwy, North Wales, at home and in the community.

Bereavement support and specialist counselling was provided to any family after the death of their child - whether or not we had previously cared for them.

To fund the provision of care the charity received funding from statutory sources and raised funds by donations, through the sale of donated goods and by the operation of two wholly owned subsidiary trading companies, one that sold new goods for the benefit of the charity and the other that operated our lottery.

OUR STAFF AND VOLUNTEERS

The truth is that our staff and volunteers are by far and away the most important element of the success of Hope House Children's Hospices. More to the point, it's what they bring to work that is the single most important component of our success however we measure it. You can see, hear, and feel it every day across all areas of the charity.

Supporting staff to feel engaged and motivated

Ensuring that we all feel connected to our work, involved in decisions about how we do things and given opportunities to learn and develop is vital if we are to be happy at work, give our very best and be successful individually and collectively.

We listen, through formal staff engagement surveys and informally and evolve our ways of working, communication, and reward, amongst other things, in response. Pleasingly, the feedback is that we are getting many things right and Hope House Children's Hospices is a great organisation to work for but there is still more we can do.

In May 2022 we invited 260 paid staff to participate in the Hospice UK Employee Engagement Survey – administered by Birdsong Charity Consulting. 169 staff completed the survey representing 65% of paid staff. Staff told us that Hope House Children's Hospices is a great charity to work for, whether that be in one of our hospices, our shops, fundraising or support services with over 90% of staff reporting that they are proud to work for the charity, enjoy the work they do and working with colleagues, and feel like they can be themselves at work.

Some staff reported that they can feel overwhelmed by stress at work, that communication between teams can be improved and that the charity does not do enough to encourage staff to improve their physical and mental wellbeing. Following on from this report in December 2022 the Board of Trustees approved funding to appoint a Director of People and Resources to take forward an employee centric organisational development programme to make Hope House Children's Hospices an even greater place to work.

Volunteers

In addition to paid staff the charity was supported by volunteers who are active in many roles across all areas of the charity including the trustees who give their time voluntarily. Many volunteers support fundraising activities and work in our charity shops.

In 2022, 480 individuals actively volunteered donating 66,568 hours' worth equivalent of £725,132 in salary cost alone.

The charity is indebted for the unstinting efforts of its volunteers. The contribution made by our many dedicated volunteers and the considerable hours worked cannot be overstated; helping the charity have a much greater impact than could be achieved otherwise, through the governance of the charity, raising money, providing care and support to children and families, and by acting as ambassadors for the charity within their own communities and beyond.

OUR STAFF AND VOLUNTEERS
(CONTINUED)

Disability Confident Employer

Hope House Children's Hospices is a Level 2 Disability Confident Employer registered with the Department of Work and Pensions. Disability Confident Employers are recognised as going the extra mile to make sure disabled people get a fair chance.

Gender pay gap

Every year the charity publishes its annual gender pay gap report. The gender pay gap is a measure of the difference between men's and women's average earnings across an organisation or the labour market. It is expressed as a percentage of men's earnings. The table below shows the gender pay gap for Hope House Children's Hospices based on data from the 5th of April each year.

	2020	2021	2022
Mean gender pay gap	+9.39%	+14.99%	+11.2%

The mean gender pay gap for the whole economy (according to the 2022 Office for National Statistics (ONS) Annual Survey of Hours and Earnings (ASHE) figures) is 13.9%. At 11.2%, Hope House Children's Hospices results show a lower mean gender pay gap than that for the whole economy.

The ongoing difference between the mean pay for men and women arises from the roles in which men and women work within the organisation and the salaries that these roles attract. Hope House Children's Hospices is therefore confident that a gender pay gap as defined by the Equality Act does not exist at Hope House Children's Hospices and that any gender pay gap does not stem from paying men and women differently for the same or equivalent work.

Pay policy for senior staff

How the salaries of Key Management Personnel are determined is set out in policy and determined by trustees. The overall goal of Hope House Children's Hospices key management personnel pay policy is to offer fair pay to attract and keep appropriately qualified staff to lead, manage and deliver the charity's purpose. In order to recruit and retain high calibre staff, trustees recognise that the remuneration package offered must be competitive whilst reflecting the motivation of working for a charity and the values of the organisation. They therefore seek to ensure salaries are competitive but do not exceed those paid in comparable jobs in non-charitable organisations. The median salary of all staff is used as a benchmark for setting the highest salary level in the organisation and pay for the most senior member of staff will not normally exceed 6X median pay.

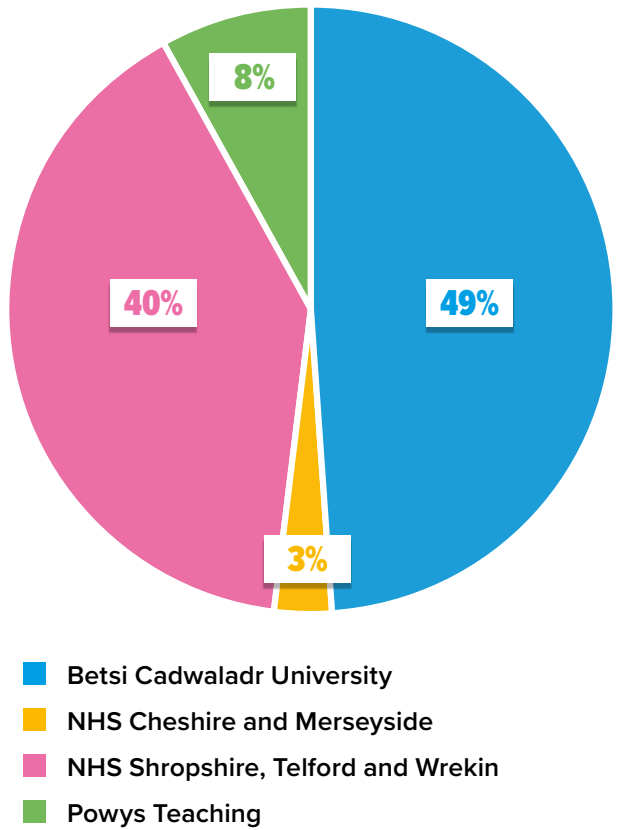


OUR CARE SERVICES AND SUPPORT

Children and young people registered with Hope House Children's Hospices

Hope House Children's Hospices supports children and families resident in Shropshire, Cheshire, North and Mid Wales. On the 1st of June 2022, 260 children and young adults with a life-limiting or life-threatening condition were registered with Hope House Children's Hospices. In 2022, 84 new referrals were received, a significant increase from 2021.

Area of residence of children registered with Hope House Children's Hospices



49% of children with life-limiting and life threatening conditions registered with the charity were resident in the Betsi Cadwaladr Health Board area (North Wales) followed by children resident in Shropshire CCG area. (40%).

Only 7 children registered with the charity were resident in Cheshire. We believe there are children in Cheshire who are not accessing hospice services and as a result we launched Project Wheatsheaf in December 2022 to research if there is unmet need and how Hope House Children's Hospices can respond.



Age range for support

In 2022 we informed service users and stakeholders that we would be implementing the decision (taken in 2018) to reduce the upper age range for support from 25 to 18 from January 2023 on a phased approach that will continue through to December 2024.

A new Transition Pathway has been developed and recruitment started to build a larger, multi-disciplinary transition team and service. The role of the multi-disciplinary transition service is to ensure that, by the time the young person is discharged from our care, they are empowered with the appropriate information and knowledge to enter adult services, enabling them to access opportunities to maximise their health, general wellbeing and individual goals.

OUR CARE SERVICES AND SUPPORT
(CONTINUED)

How we helped children and their families - in numbers

260

children with
life-threatening conditions
received the help and
care they needed



159

children were cared for
at Hope House and Tŷ Gobaith
for 1,787 nights of planned respite care
and 645 nights of crisis and emergency
(unplanned) care



720

therapy sessions
were enjoyed including
sensory play, swimming
and physiotherapy



42

families whose baby was
diagnosed with a life-threatening
condition before or after birth
were supported by our
Neonatal Nurses



1,540

counselling and
bereavement support
sessions helped children,
parents and families during their
child's illness and beyond



54

families received
compassionate end of life
care for their child at the
hospices or at home



6

families whose child died
suddenly in the community
received care after death in our
Snowflake Suites



210

brothers and sisters
used our
Sibling Support
Service

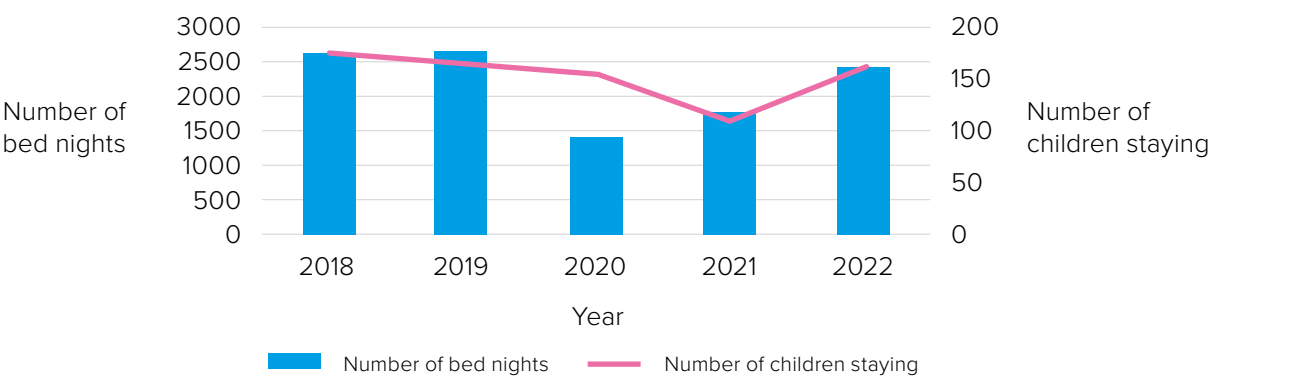


OUR CARE SERVICES AND SUPPORT
(CONTINUED)

Hospice care

Hope House Children's Hospices operates two hospices, Hope House in Morda near Oswestry, Shropshire and Tŷ Gobaith in Conwy, North Wales.

Overnight stays in the hospices



Families tell us that they rely on the hospice for overnight respite and it is the most important service that we offer, giving parent carers a break from the intense care that many children with life-limiting conditions require. During 2022, the number of children staying at the hospices and the number of overnight stays increased substantially from 2021 as we recruited more care staff, allowing us to open more bed nights.

Deaths and end-of-life

Over the last 12 months we continued to prioritise end of life care and supported an increased number of families, giving them a choice of where their child died, whether that be at home, in the hospice or in hospital.

This included enabling critically ill babies and children to be transferred out of the neonatal and critical care units to their preferred place of death (hospice or home). Sadly 66 children registered with the hospices died in 2022 and 54 families received compassionate end of life care for their child at the hospices, in hospital or at home and 251 individuals were supported with counselling and bereavement support.

Complex care and symptom control

We were delighted that during 2022 we appointed our first specialist Paediatric Palliative Care Consultant jointly with Betsi Cadwaladr University Health Board, strengthening our team of Doctors and Clinical Nurse Specialist to care for children in North Wales, Powys and at both Hope House and Tŷ Gobaith hospices.

Parent and family support.

We were able to restart in person counselling during the year to compliment the telephone and on-line counselling introduced in 2020.

In 2022 a parent and infant support group was formed following feedback from families the neonatal service had been supporting. The aims of the group are to provide a comfortable, safe and caring environment for babies and their parents/carers to attend and experience different activities and ideas, for both babies and parents which are simple and affordable to replicate at home. Peer support is also one of the main aims of the group, giving the opportunity for parents to talk to others who have similar experiences. Feedback has been very positive, all families loved coming and they report it gave them an opportunity to offload. One parent said it was the only place she had felt able to bring her baby without people staring or feeling judged. Another said it was the first time they had met anyone else with a baby with complex life limiting conditions and how important this was for them.

OUR IMPACT

Service users, families and carers offer a unique voice on the impact of the services offered by the charity. There is an established commitment to the engagement and involvement of service users, families and carers to ensure that children and families are at the heart of what we do.

During 2022, 96% of the feedback we received was positive. Here is a small sample of the feedback received:

“My son’s medical, emotional and physical needs were all met with 100% efficiency, compassion and care. Seeing how happy my son is to attend Hope House and how happy he is when I collect him from a respite stay speaks volumes. Happy child equals happy parents. Places like Hope House are invaluable to families like ours.”

“The team has recently provided outstanding care to a young person with end stage lung disease, enabling them to stay at home for end of life care which was of paramount importance to the young person and their family. The support provided was set up within hours during a period when many people were due to be on holiday. The team provided an amazing standard of care with very short notice in a complicated and high intensity setting and prevented admission to hospital. Their ability to provide “whatever necessary” care was outstanding. As well as supporting the family, the team enabled the many professionals involved to communicate and support care to be provided at home. I have not seen another example of this level and intensity of palliative care support provided at home.”

“I sometimes find it very difficult asking people for help because I feel it’s disturbing but the nurses never made me feel that way, this was so helpful to me. They will take my child for me to have some rest, I found this very helpful. Even though I sometimes don’t ask, they will gladly come and ask to take her for a cuddle. And of course, the amazing hospitality lady, she was amazing, from making sure the siblings were OK to making sure we had enough of everything to feel comfortable. Overall, thumbs up.”

“Sibling support has been a massive part of our life and life changing, my children go out with Mary and Brian and they just love it. Since they have been going my daughter and son have met other children like themselves that have a sibling with complex care need and they are able to relate with each other how they feel. My daughter says that she loves that there are other people that understand what she is going through and it’s nice to spend time doing exciting activities but not only that - the confidence she has and is able to speak to Mary or Brian about any concerns she has in her life and how they are able to explain things to her in a way that I just don’t know where to start. They take the time to find out what my children are in to and like to do and plan time with them on things they like so they take an interest. I don’t know what we would do without sibling support.”

In August 2022 we introduced a new feedback system for service users called ‘We care about what you think’. This system simplifies the process for service users to provide feedback on how services met their needs and also to provide comments and suggestions and this feedback is informing service developments:

‘Son’s suggestion-better internet so he could play online games on his Xbox.’

‘To get a physiotherapist on site on weekends so kids could be accessed and use the pool when needed.’

Complaints

Two complaints about the care provided in 2022 were upheld and action taken to learn from these complaints.

OUR FUNDRAISING

When times have been tough, our extraordinary supporters have amazed us with their unfaltering support. We are eternally grateful to all those who continued to raise money for us during another challenging year.

In 2022 we raised £5.8 million from donations and legacies compared to £4.3 million in 2021, and it is testament to our supporters and our team that despite the cost of living crisis fundraising income (excluding legacies) exceeded both the budget and 2019 income. Trust income was a particular area of growth.

Final Moments Matter

In November 2022 we repeated our Final Moments Matter online fundraising initiative and during just 36 Hours £576,000 was raised to fund all end of life care in 2023.

Gifts in Wills

We are incredibly grateful to those who left us a gift in their Will, which fund almost half of the care we provide. These gifts enable Hope House to care for more children right now, and to plan with more certainty for the care of children and families of the future.

Retail contribution

After the challenges posed by the Covid pandemic in both 2020 and 2021, we were delighted to see strong performance across all 15 of our shops. The team surpassed their budgets, exceeding all expectations, finishing the year with a net contribution to the charity of over £1million for the first time, hitting our Retail Strategy objective, 3 years early.

In 2023 we will continue to invest in retail operations looking for locations to open new shops and to relocate others to sustain and improve performance.

Hope House Lottery

The Hope House weekly lottery is run in conjunction with our partner Sterling Lotteries who draw the winning numbers every Friday (www.sterlinglotteries.co.uk). The Hope House Lottery belongs to the member group HLA (www.hospicelotteries.co.uk). We adhere to the Gambling Commission regulations including contributing to begambleaware each year.

During the year we contracted with face-to-face canvassing agencies and individuals to recruit new supporters to the lottery through a combination of residential door to door recruitment and at venues. The business plan for 2022 set a target for ambitious growth of the lottery to end the year with just over 36,000 entries in the weekly draw and a net contribution to Hope House Children’s Hospice of £715,000. We ended the year with just under 36,000 entries in the weekly draw and a contribution to the charity of just over £1million.

Our fundraising standards

Donors, supporters and volunteers can be confident that Hope House Children’s Hospices complies with the regulatory standards for fundraising. We are registered with the Fundraising Regulator and are committed to the Fundraising Promise and adherence to the Code of Fundraising Practice.

Our reputation with those who need our services and to those who kindly donate to us is paramount. We therefore make the following promises to those who so kindly support us:

- We comply with all relevant law, regulations and codes of practice and ensure that those who are contracted to work with us understand and adhere to them in their entirety. We regularly monitor performance and have robust contracts in place to ensure compliance.
- We treat the information supporters provide with the utmost respect and use it only for the purposes for which it has been given. Supporters can change their preferences at any time, and we aim to implement those changes within 2 working days.
- We have a comprehensive vulnerable people’s policy that is regularly reviewed and updated as required.
- We respect and value all contributions to the charity and will never do any fundraising activity that may undermine our core values or integrity.

Our fundraising standards (continued)

We sometimes engage the services of third parties to help us deliver the fundraising objectives, particularly where we do not have the expertise in house. We have safeguards in place when working with suppliers to protect our supporters and the reputation of our charity. We aim to ensure those agencies we employ also observe the highest standards in terms of fundraising practice. We manage and monitor the work undertaken on our behalf and have robust contracts in place to ensure that all activities are carried out to our high standards.

We are signed up to the Fundraising Preference Service to enable individuals to opt out from receiving fundraising communications from us.

Listening to supporters and addressing complaints

We take feedback seriously and although we strive to receive no complaints, when we did, these were prioritised and investigated, fully, quickly and fairly. Where a complaint was upheld we learnt from our mistake and acted by putting in effective measures to limit further distress or complaints of the same nature.

Our website outlines our complaints policy for the public and clearly explains how an individual can complain.

The following complaints were received in 2021.

- Retail: Six complaints – Four complaints upheld and action taken.
- Fundraising including Lottery: Fifteen complaints – Eight complaints upheld and action taken.

Given the level of activity and number of transactions in the year the level of complaint remains very low. We received no complaints or notifications via the Fundraising Regulator.



OUR PLANS FOR THE FUTURE

The Care, Fundraising, Volunteering, Retail and Digital Delivery Strategies approved over the last couple of years are the ‘What’ we do to deliver our Mission. These are all multi year strategies, and they remain sound and fit for purpose. In 2022 good progress was made in resetting the building blocks for the organisation to deliver on these strategies after the hiatus of the Pandemic. The additional funds that we have raised over the past few years also present us with an incredible opportunity to invest in our future plans, so that we are significantly closer to achieving our Mission.

Our priorities for 2023 include:

Making Hope House Children's Hospices an even greater place to work.

The strength of Hope House Children's Hospices lies in its people. Collectively improving culture, recruitment, equality, diversity and inclusion and learning and development are all building blocks for an effective organisation that delivers results. We will launch an integrated Organisational Development Initiative in 2023 to take this forward.

Extending our reach

We will work closely with statutory partners to increase the care we provide in the community and to raise awareness of the full range of hospice services. This includes embedding paediatric palliative care nurses with the children's community nursing teams in Shropshire Telford and Wrekin, Cheshire and North Wales.

We will continue our investment in community engagement to raise awareness and access to hospice services amongst underrepresented communities and we will research needs, service sufficiency and impact for children and families resident in Cheshire and develop plans to address these needs.

Transforming services and spaces

We will continue embracing change, implementing transformation strategies to improve choice, experience and efficiency. We will embed the digital transformation programmes of the last couple of years and continue to explore new solution and maintain the momentum of hospice space improvements.

Focusing on a sustainable future

We will progress the development of our facilities, creating the hospices for the future. This will include assessing and investing in mitigating our environmental impact.

We will invest in future long-term income generation, ensuring we have sustainable and predictable income to support our future ambitions.

We will demonstrate the need for hospice services and the impact and value of the care and support so that we can hold constructive and evidenced based discussion with statutory funding partners over future funding arrangements.





FINANCIAL REVIEW

Financial performance in 2020 and 2021 (driven primarily by the receipt of £2.6m in Government Covid grants) significantly exceeded expectations bringing financial stability and confidence. This enabled the Board of Trustees to invest in the plans and activities agreed in the Care, Fundraising and People Strategies that were delayed due to the Pandemic.

The board formulated a business plan to deliver on these strategies in 2022 to 2024 through significant investment in care services, income generation, people development, and supporting infrastructure. Two years of deficit budgets in 2022 and 2023 and an aggressive capital programme will reduce reserves whilst bringing the annual budget back into balance by 2024 by increasing income.

Overall Hope House Children's Hospices spent £7.2 million (2021: £6.2million) on charitable activities. This included care, fundraising and service related activity. Over 79% of expenditure was on staff costs.

The fundraising team generated a total income during this period of £5.8million from donations and legacies compared to £4.3million in 2021. Legacy income of £2.5million was received (2021: £1.6million) and gifts in will remains a significant source of funding for the charity and a particular area of focus for the future.

Our shops sprung back from the challenges of the Pandemic with a net contribution to the charity of over £1million exceeding pre covid levels. The same was seen with our lottery which also made a net contribution to the charity of £1million.

Hope House Children's Hospices maintained its strong relationships with public healthcare commissioners, who invested in the services we delivered to local children and families. During 2022 Hope House Children's Hospices received £1.4million in funding from statutory bodies towards service provision. And we are grateful to the UK and Welsh Governments, NHS England and NHS Wales for the financial support they continued to provide.

Reserves policy

The Pandemic demonstrated how the charity's income is susceptible to fluctuations resulting from events beyond its control. Reserves are held to help ensure that children and families in the future will continue to be able to access care and support.

The trustees established the level of reserves that the charity ought to have as £5.2million at the end of 2022, plus an additional £1.5million of working capital (total £6.7million) after a detailed analysis of the financial risks to which it is exposed. It reflects the interaction between reliability of income and the extent to which expenditure is committed.

From analysis it has been determined that there are high levels of uncertainty over income offset by a fairly static cost base. This led to a risk-based Reserves Policy that ensures reserves are held as designated funds for business continuity, workforce management and investment.

Following three years of significant surplus, reserves as of 31st December 2022, were substantially above policy. The charity is investing heavily in developing and modernising services including investment in infrastructure, digital transformation and staffing and the remaining reserves will help facilitate this activity. Three years of deficit budgets in 2023, 2024 and 2025 will bring the reserves down closer to policy by the end of the period.

Investment policy

The investment portfolio is managed by the Income & Investment Committee of the Board of Trustees. In general terms, the aim is to spread risk across several sectors as follows:

- Cash in UK registered current, deposit and overnight bank accounts.
- Shares traded on the London Stock Exchange and overseas.
- Freehold and leasehold land.
- Shares and other investments donated to the charity (after a full financial review of the investment at the next appropriate investment committee meeting).
- Shares in subsidiary companies.
- Unit trusts, open ended investment companies, trust companies and the like.

The Income and Investments Committee is mindful of its key responsibility of keeping the finances of the charity as secure as possible and therefore have adopted a medium risk investment strategy. The committee engaged the services of Investec Wealth and Investment and Parmenion Capital Partners to manage the charity's equity portfolio and received independent financial advice from Redbourne Wealth Management.

The performance of the Investment Manager and Portfolio is reviewed regularly by the Income and Investment Committee and performance is assessed against the Balanced Asset Benchmark produced by Asset Risk Consultants (ARC).

TRUSTEES' RESPONSIBILITIES STATEMENT

The trustees (who are also directors of Hope House Children's Hospices for the purposes of company law) are responsible for preparing the trustees' report (including the group director's and strategic report) and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS102);
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable group will continue in operation.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company and the group's transactions and disclose with reasonable accuracy at any time the financial position of the charitable group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

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

- so far as that trustee is aware, there is no relevant audit information of which the charitable group's auditors are unaware, and
- that trustee has taken all the steps that ought to have been taken as a trustee in order to be aware of any relevant audit information and to establish that the charitable group's auditors are aware of that information.

This report, incorporating the group strategic report, was approved by the trustees, in their capacity as company directors, on 21st June 2023 and signed on their behalf by:



Steve Henly
Chair of Trustees



INDEPENDENT AUDITORS’ REPORT TO THE MEMBERS OF HOPE HOUSE CHILDREN’S HOSPICES

Opinion

We have audited the financial statements of Hope House Children’s Hospices (the ‘charitable parent company’) and its subsidiaries (‘the group’) for the year ended 31 December 2022 which comprise the group statement of financial activities, the group balance sheet, the charitable company balance sheet, the group statement of cash flows and the related notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland”.

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 December 2022 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 ‘The Financial Reporting Standard applicable in the UK and the Republic of Ireland’; 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 Auditors responsibilities for the audit of the financial statements section of our report. We are independent of the group and the charitable company 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 trustees’ use of 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 charity’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 other information comprises the information included in the annual report set, other than the financial statements and our auditor’s report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the report of the trustees, which includes the directors’ report for the purpose of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors’ report included within the report of the trustees has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the environment of the charitable company and the group obtained in the course of the audit, we have not identified material misstatements in the directors’ report included within the report of the trustees.

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

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees’ remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies’ exemptions in preparing the trustees’ report and from the requirement to prepare a strategic report.

Responsibilities of trustees

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

In preparing the financial statements, the trustees are responsible for assessing the charitable company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor’s responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Enquiries of management and those charged with governance were held in order to identify any laws and regulations that could be expected to have a material impact on the financial statements. Throughout the audit, the team were updated with the outcomes of these enquiries including consideration as to where and how fraud may occur in the charitable company and the group.

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

No instances of material non-compliance were identified, although the prospect of detecting irregularities, including fraud, is inherently difficult. This is due to; difficulty in detecting irregularities; limits imposed by the effectiveness of the entity’s controls; and the nature, timing and extent of the audit procedures performed. Irregularities as a result of fraud are inherently more difficult to detect than those that resulting from error. Despite the audit being planned and performed in accordance with ISAs (UK), there is an unavoidable risk that material misstatements may not be detected.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council’s website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

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 auditors’ 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.

Michael Caputo FCA (Senior Statutory Auditor)
For and on behalf of Xeinadin Audit Limited

Chartered Accountants
Statutory Auditor

21st June 2023

2 Hilliards Court
Chester Business Park
Chester
Cheshire
CH4 9PX

Notes:

1. The maintenance and integrity of the Hope House Children's Hospices website is the responsibility of the trustees; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the web site.

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2022

		Unrestricted funds	Restricted funds	2022 Total funds	2021 Total funds
	Note	£	£	£	£
INCOME					
Donations and legacies	3	5,456,812	398,879	5,855,691	4,271,149
Income from trading activities	4	4,683,074	-	4,683,074	3,666,042
Income from charitable activities	5	-	1,413,222	1,413,222	1,047,542
Investment income	6	144,909	-	144,909	106,739
Other income	7	-	179,964	179,964	1,144,432
TOTAL INCOME		10,284,795	1,992,065	12,276,860	10,235,904
EXPENDITURE					
Expenditure on raising funds:					
Raising funds within the charity	8	1,263,702	-	1,263,702	1,005,708
Expenditure on trading activities	9	2,793,998	-	2,793,998	2,140,829
Expenditure on charitable activities	10	5,417,024	1,835,288	7,252,312	6,180,517
TOTAL EXPENDITURE		9,474,724	1,835,288	11,310,012	9,327,054
NET SURPLUS FOR THE YEAR		810,071	156,777	966,848	908,850
Gains on revaluation of investments	18	(726,159)	-	(726,159)	383,725
Gross transfer between funds		138,635	(138,635)	-	-
NET MOVEMENT IN FUNDS FOR THE YEAR		222,547	18,142	240,689	1,292,575
Total funds at 1 January	22	15,239,432	166,820	15,406,252	14,113,677
TOTAL FUNDS AT 31 DECEMBER		15,461,979	184,962	15,646,941	15,406,252

All activities relate to continuing operations. The Statement of Financial Activities includes all gains and losses recognised in the year.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

The notes on pages 34 to 38 form part of these financial statements.

CONSOLIDATED BALANCE SHEET FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	£	2022 £	£	2021 £
FIXED ASSETS					
Tangible assets	16		4,872,793		4,963,594
Investment property	17		344,235		-
Investments	18		6,219,160		6,836,297
			<u>11,436,188</u>		<u>11,799,891</u>
CURRENT ASSETS					
Stocks	19	14,073		9,498	
Debtors	20	2,408,586		1,956,357	
Cash at bank and in hand		<u>2,447,991</u>		<u>2,258,593</u>	
		4,870,650		4,224,448	
CREDITORS					
Amounts falling due within one year	21	<u>(659,897)</u>		<u>(618,087)</u>	
NET CURRENT ASSETS			4,210,753		3,606,361
NET ASSETS			<u>15,646,941</u>		<u>15,406,252</u>
CHARITY FUNDS					
22					
Unrestricted funds:					
Designated funds			5,210,000		5,110,000
General funds			<u>10,251,979</u>		<u>10,129,432</u>
			15,461,979		15,239,432
Restricted funds			184,962		166,820
TOTAL FUNDS			<u>15,646,941</u>		<u>15,406,252</u>

The financial statements were approved by the trustees on 21st June 2023 and signed on their behalf by:



Stephen Henly
Chair of Trustees

The notes on pages 35 to 40 form part of these financial statements.

CHARITY BALANCE SHEET FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	£	2022 £	£	2021 £
FIXED ASSETS					
Tangible assets	16		4,872,793		4,963,594
Investment property	17		344,235		-
Investments	18		6,219,164		6,836,301
			<u>11,436,192</u>		<u>11,799,895</u>
CURRENT ASSETS					
Stocks	19	12,485		7,731	
Debtors	20	2,399,390		2,607,850	
Cash at bank and in hand		<u>2,305,943</u>		<u>1,431,406</u>	
		4,717,818		4,046,987	
CREDITORS					
Amounts falling due within one year	21	<u>(513,500)</u>		<u>(447,061)</u>	
NET CURRENT ASSETS			4,204,318		3,599,926
NET ASSETS			<u>15,640,510</u>		<u>15,399,821</u>
CHARITY FUNDS					
22					
Unrestricted funds:					
Designated funds			5,210,000		5,110,000
General funds			<u>10,245,548</u>		<u>10,123,001</u>
			15,455,548		15,233,001
Restricted funds			184,962		166,820
TOTAL FUNDS			<u>15,640,510</u>		<u>15,399,821</u>

The financial statements were approved by the trustees on 21st June 2023 and signed on their behalf by:



Stephen Henly
Chair of Trustees

As permitted by s408 Companies Act 2006, the charitable company has not presented its own statement of financial activities and related notes. The charitable company's surplus for the year was £240,689 (2021: £1,292,575).

The notes on pages 35 to 40 form part of these financial statements.

CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	2022 £	2021 £
Cash provided by operating activities	1	880,353	1,308,185
Cash flows from investing activities:			
Purchase of tangible fixed assets		(489,354)	(260,566)
Purchase of investment property		(201,601)	-
Purchase of listed investments		-	(1,500,000)
Cash used on investing activities		(690,955)	(1,760,566)
Increase/(Decrease) in cash and cash equivalents in the year		189,398	(452,381)
Cash and cash equivalents at the beginning of the year	2	2,258,593	2,710,974
Cash and cash equivalents at the beginning of the year	2	2,447,991	2,258,593

The notes on pages 34 to 40 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

CF 1	RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES	2022 £	2021 £
	Net income for the reporting period (as per the statement of financial activities)	240,689	1,292,575
	Adjustments for:		
	Income from investments	(144,909)	(106,621)
	Revaluation of investments	726,159	(383,725)
	Investment management fees	35,888	29,625
	Depreciation of tangible fixed assets	437,521	325,493
	(Increase)/decrease in stocks	(4,575)	3,262
	(Increase)/decrease in debtors	(452,229)	25,523
	Increase in creditors	41,809	122,053
	Net cash provided by (used in) operating activities	880,353	1,308,185
CF 2	ANALYSIS OF CASH AND CASH EQUIVALENTS	2022 £	2021 £
	Cash at bank and in hand	2,447,991	2,258,593
	Total cash and cash equivalents	2,447,991	2,258,593

1. ACCOUNTING POLICIES

Charity information

Hope House Children's Hospices is a registered charity and private company limited by guarantee incorporated in England and Wales. The registered office is Nant Lane, Morda, Oswestry SY10 9BX.

The group consists of Hope House Children's Hospices and all of its subsidiaries.

The charitable company's financial statements have been prepared in compliance with the Charities SORP (FRS 102) issued 1 January 2015 (update bulletin 2, effective 1 January 2019).

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's governing document, the Companies Act 2006 and "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)" (as amended for accounting periods commencing from 1 January 2019). The charitable company is a Public Benefit Entity as defined by FRS 102. The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain financial instruments at fair value. The principal accounting policies adopted are set out below.

The charitable company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The charity has therefore taken advantage of exemptions from the following disclosure requirements for parent company information presented within the consolidated financial statements:

- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues': Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

1.2 Basis of consolidation

The consolidated financial statements incorporate those of Hope House Children's Hospices and all of its subsidiaries (i.e. entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits) on a line-by-line basis. All financial statements are made up to 31 December 2022.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

1.3 Preparation of the accounts on a going concern basis

The trustees have considered the future trading of the charitable company and the group and have prepared cash flow forecasts for a period of 12 months from the date of these financial statements.

At the time of approving the financial statements, the trustees have a reasonable expectation that the charitable company and group have adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.4 Incoming resources

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

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution.

Where legacies have been notified to charities or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Income from charitable activities is grant income received from local government, this is recognised when the charity has entitlement to the funds, any performance conditions have been met and the amount can be reliably measured.

Other income relates to support provided to the charity throughout the COVID-19 pandemic and includes; Coronavirus Job Retention Scheme grants, retail support grants and hospice support grants. Income is recognised on receipt or when the amount can be reliably measured.

1.5 Donated services and facilities

Donated professional services and donated facilities are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item is probable and the economic benefit can be measured reliably.

In accordance with the Charities SORP (FRS102), the general volunteer time is not recognised, refer to the trustees' annual report for more information about their contribution.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

1.6 Interest receivable

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

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation. Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

1.7 Fund accounting

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

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

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

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

1.8 Expenditure

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

- Costs of raising funds comprises fundraising costs incurred in seeking donations, grants and legacies, costs of fundraising activities including the costs of commercial trading, shop trading and the lottery and their associated support costs.
- Expenditure on charitable activities includes the cost of providing care and associated support.

1.9 Allocation of support costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include head office costs, finance, personnel, payroll and governance costs and also include project management carried out centrally. Governance costs are those incurred in connection with administration of the charity and compliance with constitutional and statutory requirements.

1.10 Operating leases

The charity classifies the lease of shop premises and vehicles as operating leases. Rentals under operating leases are charged on a straight line basis over the term of the lease.

1.11 Tangible fixed assets

Individual fixed assets costing £1,000 or more were capitalised at cost in the year including any incidental expenses of acquisition.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold buildings	40 years straight line
Freehold land	nil
Plant and machinery	4 – 10 years straight line
Motor vehicles	5 – 10 years straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset and is recognised in net income/(expenditure) for the year.

1.12 Investment Property

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. Changes in fair value are recognised in profit or loss and transferred to a non-distributable profit reserve.

1.13 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs and are subsequently measured at fair value at each reporting date. Transaction costs are expensed as incurred. Changes in fair value are recognised in the statement of financial activities throughout the year.

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

1.14 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

1.15 Debtors

Debtors are recognised at the settlement amount due after any trade discounts offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.16 Cash at bank and in hand

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

1.17 Creditors and provisions

Creditors and provisions are recognised where 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. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

1.18 Pensions

The group and charity operates a defined contribution pension scheme and the pension charge represents the amounts payable by the group and charity to the fund in respect of the year.

1.19 Financial Instruments

The charitable company has elected to apply the provisions of Section 11 ‘Basic Financial Instruments’ and Section 12 ‘Other Financial Instruments Issues’ of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charitable company’s balance sheet when the charitable company becomes party to the contractual provisions of the instrument. Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method. Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charitable company’s contractual obligations expire or are discharged or cancelled.

1.20 Critical accounting estimates and judgements

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

Determining residual values and useful economic lives of tangible fixed assets

The group depreciates tangible assets over their estimated useful lives based on historic performance. The actual lives can vary.

Recognition of legacy income

The group recognises receipt of a legacy when the receipt is probable, the amount can be measured reliably and the charity has been notified of the executor’s intention to make a distribution. This can often be several months before the actual receipt which can vary.

2. LEGAL STATUS

The charity is a company limited by guarantee. The members of the company are the trustees named on page 1. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

3. INCOME FROM DONATIONS AND LEGACIES

	2022 Unrestricted funds £	2022 Restricted funds £	2022 Total funds £	2021 Total funds £
Donations	2,375,933	398,879	2,774,812	2,420,562
Legacies	2,555,931	-	2,555,931	1,594,338
Tax recovered – gift aid	238,466	-	238,466	214,647
Other income	286,482	-	286,482	41,602
	5,456,812	398,879	5,855,691	4,271,149

INCOME FROM DONATIONS AND LEGACIES – 2021 COMPARATIVES

	2021 Unrestricted funds £	2021 Restricted funds £	2021 Total funds £
Donations	2,108,566	311,996	2,420,562
Legacies	1,594,338	-	1,594,338
Tax recovered – gift aid	214,647	-	214,647
Other income	41,602	-	41,602
	3,959,153	311,996	4,271,149

Incoming resources from non-exchange transactions

Donated goods and facilities for which there was no income recorded were received to a value of £55,636 (2021: £49,894). No conditions were attached to these donations.

In addition to paid staff, the charity was supported by 480 (2021: 445) active volunteers during the year. As a result, in 2022 volunteers provided 66,568 hours (2021: 50,185 hours) of volunteering worth equivalent of £725,132 (2021: £538,589) in salary costs.

4. INCOME FROM TRADING ACTIVITIES

	2022 Unrestricted funds £	2022 Restricted funds £	2022 Total funds £	2021 Total funds £
Hope House (Trading) Limited	82,585	-	82,585	66,760
Hope House (Lottery) Limited	1,866,821	-	1,866,821	1,765,348
Hope House Children's Hospices	2,733,668	-	2,733,668	1,833,934
	4,683,074	-	4,683,074	3,666,042

The 2021 total income from trading activities was unrestricted. The trade of Hope House (Trading) Limited is derived from the purchase and sale of merchandise (new goods). Hope House (Lottery) Limited operates the lottery scheme and raffle. Trading activities in Hope House Children's Hospices represents the sale of donated goods in the charity shops.

5. INCOME FROM CHARITABLE ACTIVITIES

	2022 Unrestricted funds £	2022 Restricted funds £	2022 Total funds £	2021 Total funds £
Income from statutory bodies	-	1,413,222	1,413,222	1,047,542
Analysed as:				
	2022 Unrestricted funds £	2022 Restricted funds £	2022 Total funds £	2021 Total funds £
Welsh LHB grants	-	240,612	240,612	243,328
NHS England grant	-	329,249	329,249	353,352
English CCG grants	-	267,288	267,288	273,708
NHS/WHO - Pensions	-	72,554	72,554	9,747
NHS EOL grants	-	170,949	170,949	-
NHS Wales – Hospice funding	-	319,968	319,968	-
NHS Wales - Prevalence study	-	-	-	48,750
NHS Wales - Bonus payment	-	-	-	39,150
Kickstart	-	12,602	12,602	76,001
Other	-	-	-	3,506
	-	1,413,222	1,413,222	1,047,542

6. INVESTMENT INCOME

	2022 Unrestricted funds £	2022 Restricted funds £	2022 Total funds £	2021 Total funds £
Investment income	144,909	-	144,909	106,739

Investment income has arisen on the dividends and interest earned on the group's and charity's listed investment portfolio. All investment income in 2021 was unrestricted.

7. OTHER INCOME

	2022 Unrestricted funds £	2022 Restricted funds £	2022 Total funds £	2021 Total funds £
Coronavirus job retention scheme	-	-	-	180,882
Retail support scheme	-	-	-	147,836
Hospice support income	-	179,964	179,964	815,714
	-	179,964	179,964	1,144,432

Hospice support income was fully restricted in both 2022 and 2021. This reflects the NHS England funding to allow the hospice to make available bed capacity and community support to provide support to people with complex needs in the context of COVID-19. NHS Wales also provided funding to maintain core service provision.

8. EXPENDITURE ON RAISING FUNDS WITHIN THE CHARITY

	2022 Total funds £	2021 Total funds £
Promotional materials	45,029	29,684
Designing and brand promotion	25,451	17,685
Printing, postage, stationery and IT	32,493	31,108
Event expenses	98,469	36,325
Insurance	5,248	3,804
Telephone	10,340	10,027
Travelling expenses	11,997	3,901
Training and conferences	9,367	2,962
General expenses	26,693	18,756
Payment processing fees	32,851	19,049
Campaign design	-	16,004
Fundraising staff costs	916,794	786,778
Investment management costs	35,888	29,625
Commission paid	13,082	-
	1,263,702	1,005,708
Attributable to:		
Unrestricted funds	1,263,702	1,005,708
Restricted funds	-	-
	1,263,702	1,005,708

9. EXPENDITURE ON TRADING ACTIVITIES

	2022 Unrestricted funds £	2022 Restricted funds £	2022 Total funds £	2021 Total funds £
Hope House (Trading) Limited	42,630	-	42,630	24,463
Hope House (Lottery) Limited	816,861	-	816,861	448,076
Hope House Children's Hospices	1,934,507	-	1,934,507	1,668,290
	2,793,998	-	2,793,998	2,140,829

All expenditure on trading activities in 2021 was unrestricted.

The trade of Hope House (Trading) Limited is derived from the purchase and sale of merchandise (new goods) and the operation of the Retail Gift Aid scheme. Hope House (Lottery) Limited operates the lottery scheme. Trading activities in Hope House Children's Hospices represents the sale of donated goods in the charity shops.

10. EXPENDITURE ON CHARITABLE ACTIVITIES

		2022 Total funds £	2021 Total funds £
	Note		
Repairs and maintenance		92,049	96,370
Heat and light		84,351	73,620
Water charges		12,108	8,638
Printing, postage, stationery and IT		50,651	23,346
Housekeeping		65,477	54,651
Insurance		27,713	22,500
Telephone		28,128	23,008
Food and catering		64,022	39,994
Motor expenses		22,829	16,708
Vehicle lease charges		8,047	4,715
Travelling expenses		22,438	11,248
Training and conferences		58,225	43,185
Recruitment		536	6,257
General expenses		158,928	82,161
Nursing consumables		27,823	35,038
Medical cover		66,410	66,410
Care database subscription		56,485	68,770
Wages and salaries		4,695,255	4,109,138
Agency		7,043	9,572
Depreciation		338,875	299,743
Rent		27,500	25,000
		5,914,893	5,120,072
Share of support costs	11	1,265,557	1,028,447
Share of governance costs	11	71,862	31,998
		7,252,312	6,180,517
Attributable to:			
Unrestricted funds		5,417,024	4,148,002
Restricted funds		1,835,288	2,032,515
		7,252,312	6,180,517

All expenditure in 2022 and 2021 was attributable to hospice activities undertaken directly.

11. SUPPORT AND GOVERNANCE COSTS

		2022 Total £	2021 Total £
	Note		
Support Costs			
Printing, postage, stationery and IT		21,331	23,197
Telephone		11,734	8,490
Water charges		451	627
Light and heat		2,238	2,710
Repairs and maintenance		36,541	10,170
General expenses		113,352	31,175
Travelling expenses		13,850	6,716
Training and conferences		3,317	5,710
Wages and salaries		928,506	797,341
Agency and recruitment		22,154	7,391
Apprentice levy		16,791	13,274
Staff benefit scheme		17,243	17,057
Bank charges		19,105	17,160
Insurance		6,960	5,064
Rent and service charges		15,250	15,250
Irrecoverable VAT		13,635	7,992
Research project		23,099	59,123
		1,265,557	1,028,447
Governance Costs			
Audit fees		5,600	4,366
Trustees governance costs		3,209	2,296
Professional fees		63,053	25,336
		71,862	31,998
		1,337,419	1,060,445
Analysed between:			
Charitable activities	10	1,337,419	1,060,445

12. NET INCOME

	2022 £	2021 £
This is stated after charging:		
Depreciation of owned tangible fixed assets	437,521	325,492
Auditors remuneration – audit of group	5,600	4,366
Auditors remuneration – non-audit services	2,500	2,500

13. TRUSTEE'S REMUNERATION AND BENEFITS

During the year, no trustees received any remuneration (2021: £Nil). During the year, no trustees received any benefits in kind (2021: £Nil). No trustees were reimbursed expenses (2021: £54). Expenses totalling £1,456 (2021: £661) for travel were waived by trustees during the year. The charity incurred costs of £3,209 (2021: £2,242) in relation to the trustees that are compulsory for them to conduct their roles. These expenses include indemnity insurance, CRB checks and safeguarding training.

14. STAFF BENEFITS

	Group		Charity	
	2022 £	2021 £	2022 £	2021 £
Wages and salaries	6,661,886	5,880,861	6,623,497	5,839,934
Social security costs	595,794	494,764	593,661	491,787
Other pension costs	485,558	425,417	483,835	421,523
	7,743,238	6,801,042	7,700,993	6,753,244

The average monthly number of employees during the year was as follows:

	Group		Charity	
	2022 No.	2021 No.	2022 No.	2021 No.
Hospice services	145	143	145	143
Fundraising and publicity	23	23	23	23
Support	23	19	23	19
Retail and lottery	60	64	56	60
	251	249	247	245

The number of higher paid employees (excluding employer pension costs) was as follows:

	Group		Charity	
	2022 No.	2021 No.	2022 No.	2021 No.
In the band:				
£60,001 - £70,000	-	1	-	1
£70,001 - £80,000	2	1	2	1
£80,001 - £90,000	-	1	-	1
£90,000 - £100,000	1	-	1	-
£100,001 - £110,000	1	1	1	1
	4	4	4	4

The key management personnel of the group, comprise the trustees, the chief executive officer, director of income generation and communications, director of care, director of finance and transformation plus the directors of the wholly owned subsidiaries. The total employee benefits of the key management personnel were £415,206 (2021: £379,702).

15. 2021 COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
INCOME			
Donations and legacies	3,959,153	311,996	4,271,149
Income from trading activities	3,666,042	-	3,666,042
Income from charitable activities	-	1,047,542	1,047,542
Investment income	106,739	-	106,739
Other income	328,718	815,714	1,144,432
TOTAL INCOME	8,060,652	2,175,252	10,235,904
EXPENDITURE			
Expenditure on raising funds:			
Raising funds within the Charity	1,005,708	-	1,005,708
Expenditure on trading activities	2,140,829	-	2,140,829
Expenditure on charitable activities	4,148,002	2,032,515	6,180,517
TOTAL EXPENDITURE	7,294,539	2,032,515	9,327,054
NET SURPLUS FOR THE YEAR	766,113	142,737	908,850
Gains on revaluation of investments	383,725	-	383,725
Gross transfer between funds	48,958	(48,958)	-
NET MOVEMENT IN FUNDS FOR THE YEAR	1,198,796	93,779	1,292,575
Total funds at 1 January	14,040,636	73,041	14,113,677
TOTAL FUNDS AT 31 DECEMBER	15,239,432	166,820	15,406,252

16. TANGIBLE FIXED ASSETS

Group and Charity	Freehold Property £	Plant and Equipment £	Motor Vehicles £	Total £
COST				
At 1 January 2022	7,067,823	1,421,956	173,953	8,663,741
Additions	-	489,354	-	489,354
Transfer				
- Investment property	(142,634)	-	-	(142,634)
At 31 December 2022	6,925,189	1,911,319	173,953	9,010,461
DEPRECIATION				
At 1 January 2022	2,770,722	820,766	108,659	3,700,147
Charge for year	217,228	207,293	13,000	437,521
Eliminated on disposal	-	-	-	-
At 31 December 2022	2,987,950	1,028,059	121,659	4,137,668
NET BOOK VALUE				
At 31 December 2022	3,937,239	883,260	52,294	4,872,793
At 31 December 2021	4,297,101	601,199	65,294	4,963,594

Freehold property comprises the following: Hope House Hospice building and land, Ty Gobaith building and land, Administration Bungalow and the Bangor Shop. The freehold land is held at a cost of £608,106 (2021: £608,106), which is not depreciated.

Due to the acquisition of an investment property in the year (note 17) the previously bequeathed property of 2 Parciau Bach, Criccieth, has been transferred to investment property.

During the year, the charity purchased tangible fixed assets totalling £138,635 (2021: £48,598) funded by restricted donations and grants. As the performance conditions on these assets purchases have been met, the funding has been transferred to the general fund.

At 31 December 2022 the charity had received £43,602 (2021: £93,460) in restricted funding for the acquisition of tangible fixed assets which had not been purchased at the year end. This income has been carried forward in the restricted fund.

At 31 December 2022 the charity had spent £71,080 (2021: £1,450) on tangible fixed assets funded by restricted income. As the projects had not been completed at 31 December 2022, these have been carried forward in the restricted fund.

17. INVESTMENT PROPERTY

Group and Charity	Total £
FAIR VALUE	
At 1 January 2022	-
Additions	201,601
Transfer	142,634
At 31 December 2022	344,235

During the year, the group and charity purchased the buy-to-let property, 81 Borfa Green, Welshpool. Upon recognition of this investment property, the previously bequeathed property of 2 Parciau Bach, Criccieth, has been transferred to investment property.

The fair value of the Welshpool property has been arrived at based on the market value price paid on 23rd March 2022. The trustees consider that the valuation of the property remained unchanged at 31st December 2022.

The fair value of the Criccieth property has been arrived at based on the valuation undertaken when the asset was gifted on 5th May 2015. The trustees consider that there have been no significant valuation charges at 31st December 2022.

18. FIXED ASSET INVESTMENTS (CONTINUED)

Charity investment in subsidiaries comprise:

Subsidiary	Company No.	Percentage shareholding	Class of shares	No of shares	Total value £
Hope House (Trading) Limited	02691088	100	Ordinary £1	2	2
Hope House (Lottery) Limited	05066936	100	Ordinary £1	2	2
					4

The wholly owned trading subsidiaries, Hope House (Trading) Limited and Hope House (Lottery) Limited are incorporated in the United Kingdom. They both have the registered office of Nant Lane, Morda, Oswestry, Shropshire, SY10 9BX. Hope House (Trading) Limited and Hope House (Lottery) Limited distribute all of their profits to the Charity under Deed of Covenant.

The assets and liabilities of the subsidiaries were:

	Hope House (Trading) Limited		Hope House (Lottery) Limited	
	2022 £	2021 £	2022 £	2021 £
Current assets	2,373	2,373	173,635	826,581
Current liabilities	(804)	(804)	(168,768)	(821,714)
Aggregate share capital and reserves	1,569	1,569	4,867	4,867
Net income from trading activities	44,084	45,635	1,049,960	1,317,272

19. STOCKS

	Group		Charity	
	2022 £	2021 £	2022 £	2021 £
Goods for resale	14,073	9,498	12,485	7,731

20. DEBTORS

	Group		Charity	
	2022 £	2021 £	2022 £	2021 £
Amounts owed by group undertakings	-	-	804	651,492
Other debtors	2,223,126	1,784,848	2,213,126	1,784,848
Prepayments	185,460	171,510	185,460	171,510
	2,408,586	1,956,357	2,399,390	2,607,850

21. CREDITORS: Amounts falling due within one year

	Group		Charity	
	2022 £	2021 £	2022 £	2021 £
Trade creditors	84,459	108,734	67,788	93,567
Amounts due to fellow group undertakings	-	-	22,370	-
Other taxation and social security	155,431	125,369	155,431	125,369
Other creditors	91,842	77,748	82,192	66,723
Accruals and deferred income	328,165	306,236	185,719	161,402
	659,897	618,087	513,500	447,061

Included within creditors is deferred income totalling £200,694 (2021: £201,695) in the group and £80,087 (2021: £88,986) in the charity. Deferred income in Hope House Children's Hospices is recognised in respect of grants where the performance agreement runs across multiple periods. Deferred income is recognised in Hope House (Lottery) Limited where players place money on account in advance of being drawn. The deferred income recognised in 2021 has been subsequently recognised as income in 2022.

22. STATEMENT OF FUNDS

Group	Funds at 1 Jan 2022 £	Income £	Expenditure £	Transfers in/out £	Gains / (Losses) £	Funds at 31 Dec 2022 £
DESIGNATED FUNDS						
Workforce management	100,000	-	-	-	-	100,000
Service development	100,000	-	-	-	-	100,000
Investment in fundraising	200,000	-	-	-	-	200,000
Business continuity	4,710,000	-	-	100,000	-	4,810,000
	5,110,000	-	-	100,000	-	5,210,000
GENERAL FUNDS						
General funds – all funds	10,129,432	10,284,795	(9,474,724)	38,635	(726,159)	10,251,979
Total unrestricted funds	15,239,432	10,284,795	(9,474,724)	138,635	(726,159)	15,461,979
RESTRICTED FUNDS						
Restricted funds – all funds	166,820	1,992,065	(1,835,288)	(138,635)	-	184,962
Total funds	15,406,252	12,276,860	(11,310,012)	-	(726,159)	15,646,941
Charity						
	Funds at 1 Jan 2022 £	Income £	Expenditure £	Transfers in/out £	Gains / (Losses) £	Funds at 31 Dec 2022 £
DESIGNATED FUNDS						
Workforce management	100,000	-	-	-	-	100,000
Service development	100,000	-	-	-	-	100,000
Investment in fundraising	200,000	-	-	-	-	200,000
Business continuity	4,710,000	-	-	100,000	-	4,810,000
	5,110,000	-	-	100,000	-	5,210,000
GENERAL FUNDS						
General funds – all funds	10,123,001	9,429,432	(8,619,361)	38,635	(726,159)	10,245,548
Total unrestricted funds	15,233,001	9,429,432	(8,619,361)	138,635	(726,159)	15,455,548
RESTRICTED FUNDS						
Restricted funds – all funds	166,820	1,992,065	(1,835,288)	(138,635)	-	184,962
Total funds	15,399,821	11,421,497	(10,454,649)	-	(726,159)	15,640,510

22. STATEMENT OF FUNDS (CONTINUED)

Group	Funds at 1 Jan 2021 £	Income £	Expenditure £	Transfers in/out £	Gains / (Losses) £	Funds at 31 Dec 2021 £
DESIGNATED FUNDS						
Workforce management	100,000	-	-	-	-	100,000
Service development	200,000	-	-	(100,000)	-	100,000
Investment in fundraising	187,000	-	-	13,000	-	200,000
Business continuity	4,375,000	-	-	335,000	-	4,710,000
	4,862,000	-	-	248,000	-	5,110,000
GENERAL FUNDS						
General funds – all funds	9,178,636	8,060,652	(7,294,539)	(199,042)	383,725	10,129,432
Total unrestricted funds	14,040,636	8,060,652	(7,294,539)	48,958	383,725	15,239,432
RESTRICTED FUNDS						
Restricted funds – all funds	73,041	2,175,252	(2,032,515)	(48,958)	-	166,820
Total funds	14,113,677	10,235,904	(9,327,054)	-	383,725	15,406,252
Charity						
	Funds at 1 Jan 2021 £	Income £	Expenditure £	Transfers in/out £	Gains / (Losses) £	Funds at 31 Dec 2021 £
DESIGNATED FUNDS						
Workforce management	100,000	-	-	-	-	100,000
Service development	200,000	-	-	(100,000)	-	100,000
Investment in fundraising	187,000	-	-	13,000	-	200,000
Business continuity	4,375,000	-	-	335,000	-	4,710,000
	4,862,000	-	-	248,000	-	5,110,000
GENERAL FUNDS						
General funds – all funds	9,172,205	7,591,451	(6,825,338)	(199,042)	383,725	10,123,001
Total unrestricted funds	14,034,205	7,591,451	(6,825,338)	48,958	383,725	15,233,001
RESTRICTED FUNDS						
Restricted funds – all funds	73,041	2,175,252	(2,032,515)	(48,958)	-	166,820
Total funds	14,107,246	9,766,703	(8,857,853)	-	383,725	15,399,821

22. STATEMENT OF FUNDS (CONTINUED)

DESIGNATED FUNDS

Workforce Management Fund

The trustees are conscious that the charity must operate with an appropriately skilled workforce and are very aware of their responsibilities to its employees. Funds are therefore held and designated in a Workforce Management Fund to accommodate the cost of ensuring sufficient skilled capacity across the organisation.

Changes in service delivery may result in some staff not having the necessary skills to work effectively. If unable to retrain and gain skills at the required level of competence, then this fund allows the organisation to discharge its obligation to those staff not able to maintain high standards of delivery due to circumstances beyond their control.

Payment from this fund can only be considered in cases where the benefit to both the employee and the organisation can be demonstrated.

Service Development Fund

Fundraising

There is compelling evidence to support the case for investment in fundraising. Returns are significantly better than bank investments for slightly higher risk and we can flex investment in fundraising, increasing it when the returns look good and decreasing when not.

To achieve the desired levels of growth, it is proposed that the investment in fundraising is increased to 24% of total voluntary income by 2024. Funds are designated to support this investment if required.

Care

As the needs and complexity of the children cared for by the organisation evolves, services must evolve with them. To ensure that this development is possible, funds have been designated should they be required.

Business Continuity Fund

To manage income shortfalls

Analysis has identified and assessed the risk to the income received by the charity from various sources. Reserves are held to ensure service continuity if this income falls short of the forecast, allowing time to either restore this income or reduce costs accordingly.

To adjust costs

A reserve has been designated for costs associated with restructuring the charity to reduce costs in the event of income not meeting forecast. This fund would be used primarily to meet the cost of reducing the workforce.

Catastrophic event

Through a risk management process, we seek to rationalise, quantify and avoid catastrophic events occurring and insure against those risks that cannot be removed. However, there is always the potential of an event occurring. Clearly it is impossible to quantify a catastrophic event, but it is prudent to designate a reserve fund to mitigate the impact or to aid recovery should such an event occur. Therefore, designated funds are held for catastrophic events.

23. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2022	Restricted funds 2022	Total funds 2022
Group - 2022			
Tangible fixed assets	4,801,713	71,080	4,872,793
Investment property	344,235	-	344,235
Fixed asset investments	6,219,160	-	6,219,160
Current assets	4,756,768	113,882	4,870,650
Creditors due within one year	(659,897)	-	(659,897)
	15,461,979	184,962	15,646,941

	Unrestricted funds 2021	Restricted funds 2021	Total funds 2021
Group - 2021			
Tangible fixed assets	4,962,144	1,450	4,963,594
Fixed asset investments	6,836,297	-	6,836,297
Current assets	4,059,078	165,370	4,224,448
Creditors due within one year	(618,087)	-	(618,087)
	15,239,432	166,820	15,406,252

	Unrestricted funds 2022	Restricted funds 2022	Total funds 2022
Charity - 2022			
Tangible fixed assets	4,801,713	71,080	4,872,793
Investment property	344,235	-	344,235
Fixed asset investments	6,219,164	-	6,219,164
Current assets	4,603,936	113,882	4,717,818
Creditors due within one year	(513,500)	-	(513,500)
	15,455,548	184,962	15,640,510

	Unrestricted funds 2021	Restricted funds 2021	Total funds 2021
Charity - 2022			
Tangible fixed assets	4,962,144	1,450	4,963,594
Fixed asset investments	6,836,301	-	6,836,301
Current assets	3,881,617	165,370	4,046,987
Creditors due within one year	(447,061)	-	(447,061)
	15,233,001	166,820	15,399,821

24. PENSION COMMITMENTS

The charity makes contributions to certain pension schemes for its employees. The assets of these schemes are held separately from those of the charity in independently administered funds. The pension cost charge represents contributions payable by the group to the fund amounted to £485,558 (2021: £425,417). Charges payable by the charity amounted to £483,835 (2021: £421,523).

25. OPERATING LEASE COMMITMENTS

At 31 December 2022 the total commitments under non-cancellable operating leases as follows:

	Land and Buildings		Other	
	2022 £	2021 £	2022 £	2021 £
Group and charity				
<i>Amounts falling due</i>				
Within 1 year	395,768	371,345	19,508	19,508
Between 2 and 5 years	549,037	660,543	13,857	33,455
After more than 5 years	-	5,438	-	-
	<u>944,805</u>	<u>1,037,326</u>	<u>33,365</u>	<u>52,963</u>

During the year operating lease charges were recognised as rent expenses in the following; the cost of operating the charity shops £345,555 (2021: £345,863); hospice activities undertaken directly £27,500 (2021: £25,000); and support costs £15,250 (2021: £15,250).

During the year operating lease charges were recognised as vehicle lease expenses in the following; cost of operating charity shops £11,735 (2021: £17,166) and hospice activities undertaken directly £8,047 (2021: £4,715).

26. FINANCIAL COMMITMENTS, GUARANTEES AND CONTINGENT LIABILITIES

At 31 December 2022 the group and charity had committed to £18,344 (2021: £nil) in ongoing capital projects in addition to restricted assets committed to.

27. RELATED PARTY TRANSACTIONS

During the year, group staff made donations to the charity and played the lottery run by Hope House (Lottery) Limited. Transactions were conducted under normal commercial terms. A policy exists to prohibit the directors of Hope House (Lottery) Limited, trustees of Hope House Children's Hospices, and senior managers and employees directly involved in the running of the lottery, from taking part in the lottery.

Trustees and their related companies made donations to the charity totalling £122,442 (2021: £77,059).

Hope House (Trading) Limited and Hope House (Lottery) Limited are 100% owned subsidiaries of Hope House Children's Hospices. All the profits of the subsidiaries for the period have been distributed by Gift Aid to the charity. The profits for the year totalled £44,084 (2021: £45,635) for Hope House (Trading) Limited and £1,019,960 (2021: £1,317,272) for Hope House (Lottery) Limited. Hope House (Trading) Limited charged £4,129 (2021: £3,338) to Hope House Children's Hospices for operating the gift aid scheme on the sale of new goods.

At 31st December 2022 the charity was owed £804 (2021: £804) by Hope House (Trading) Limited and £22,370 was owed to Hope House (Lottery) Limited. At 31st December 2021, the charity was owed £650,688 by Hope House (Lottery) Limited.

28. ULTIMATE CONTROLLING PARTY

The charity is controlled by the trustees.





Accounts

HOPE HOUSE CHILDREN'S HOSPICES

TRUSTEE'S REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021



HOPE HOUSE CHILDREN'S HOSPICES
(A company limited by guarantee)

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for the Year Ended 31 December 2021

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HOPE HOUSE CHILDREN'S HOSPICES

(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS FOR THE YEAR ENDED 31 DECEMBER 2021

Trustees

Appointed Officers of the Board

Stephen R Henly	Chair	Company Managing Director
Barbara J Evans	Vice Chair	Retired Local Government Officer
Philip R Inch	Treasurer	Retired Financial Director

Members of the Board

Graeme Harkness	Retired Head Teacher
Christopher C Hudson	Retired HR Professional
Dr Supriya Kapas	Quality Assurance Pharmacist (appointed 12 April 2021)
Andrew Morris	Company Director
Gary Morton	Group Chief Executive
Dr David Sharp	General Practitioner
Kelly Stant	Solicitor
Dr Jean B Watt	Retired Consultant Paediatrician
Meinir A Wigley	Communications Manager (resigned 8 December 2021)

Independent Directors of Hope House (Trading) Limited

W Andrew Fergus
Andrew T Goldsmith

Independent Directors of Hope House (Lottery) Limited

Stephen R Henly	
Philip R Inch	
Gary Morton	
Meinir A Wigley	Resigned 22 September 2021
Kelly Stant	Appointed 22 September 2021

Company registered number

2588103

Charity registered number

1003859

Registered office

Nant Lane, Morda, Oswestry, Shropshire, SY10 9BX

Company secretary

Andrew T Goldsmith

Chief executive officer

Andrew T Goldsmith

Senior management team

Simi Epstein	Director of Fundraising and Marketing
Karen Wright	Director of Care
W Andrew Fergus	Commercial Director

HOPE HOUSE CHILDREN'S HOSPICES

(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS FOR THE YEAR ENDED 31 DECEMBER 2021

Administrative details (continued)

Independent auditors

Xeinadin Audit Limited, 2 Hilliards Court, Chester Business Park, Chester, CH4 9PX

Bankers

HSBC Bank Plc, The Cross, Oswestry, Shropshire, SY11 2SR

Solicitors

Howell Jones and Company, 36 Station Road, Llanrwyst, Conwy, LL26 0DA

Investment manager

Investec Wealth & Investment Limited, Colmore Plaza, Colmore Circus, Birmingham, B4 6AT

Investment advisor

Redbourne Wealth Management Limited, Belmont House, Shrewsbury Business Park, Shrewsbury, Shropshire, SY2 6LG

HOPE HOUSE CHILDREN'S HOSPICES

(A company limited by guarantee)

LETTER FROM THE CHAIR FOR THE YEAR ENDED 31 DECEMBER 2021

As I reflect on the last few years, I am immensely proud of our staff and how they responded so incredibly well to the challenges and uncertainty presented by the COVID 19 pandemic. We rapidly adapted to an evolving landscape. We didn't stop providing care or raising the funds to pay for it. We worked incredibly hard to keep staff and volunteers safe; ensure financial stability and safely adapt to continue the delivery of our essential services to children and their families.

The resilience, stamina and dedication of our care team over the last few years has been remarkable. They have worked tirelessly, taking on new responsibilities and often working in challenging unnatural ways behind PPE frequently for long hours.

Our staff and volunteers are the cornerstone of the charity. Nothing could be achieved without them. I am proud of how the whole team have navigated the challenges presented by the pandemic and the ways in which new ways of working, which would have been unthinkable only months earlier, were embraced.

Many in our retail team were furloughed at various times during the pandemic. Despite losing over a quarter of the trading year in 2021 and a significantly reduced footfall across all retail spaces, they produced a very healthy contribution towards 2021 and continue to do so in 2022. I must also thank Andy Goldsmith, our CEO and his Senior Management Team, who collectively provided outstanding leadership to all our staff throughout the pandemic.

Financials

The financial outturn for 2021 is far stronger than we expected at the start of the year. We ended 2021 having delivered a surplus of £ 962K and an 8.9% increase in unrestricted reserves due in no small part to the outstanding work of our fundraising, lottery and retail teams. We continued to benefit from government funding at the start of 2021 via the hospice sector grant, furlough and local retail support schemes. Our financial statements reflect the extraordinary events of the time and the nature of our income generation during the pandemic which therefore make year on year comparisons difficult.

We have carefully managed our resources with expenditure during the year below our budgeted expectation. As we emerge from the pandemic, we are now in an excellent financial position to address the challenges of recruitment and retention, an increased demand for specialised services and reduced NHS funding.

Outlook

2021 was an extraordinary year, we have made good progress on our key objectives. We faced unprecedented challenges during the pandemic and have emerged stronger. Whilst challenges remain, our strategies for Care, Fundraising and Retail remain sound. Our services continue to evolve and adapt. New agile ways of working and lessons learnt through the pandemic will not be lost.

We continue to face significant challenges in recruitment and retention across all departments, staff vacancies meant we could not operate at full capacity during 2021. Significant progress has been made in benchmarking our pay and rewards and ensuring our offer is competitive. Despite this, recruitment will continue to be a major challenge in the short to medium term across all departments.

The hospice spaces have now opened up again, conversations have returned, the dining room is busy, children are playing, their families are mixing and staff recruited during the pandemic have finally been able to meet their colleagues in-person. Whilst some uncertainty remains, we are now in an excellent position to respond to the post pandemic challenges ahead of us and deliver outstanding care for all of the children and their families who come to Hope House Children's Hospices.

I would like to thank everyone who continued to support us throughout the pandemic and help us through the most challenging years in our history. Your support helps us continue to put the children we support and their families at the heart of everything we do, because no one should face the death of a child alone.

Stephen Henly
Chair of Trustees
29th June 2022

HOPE HOUSE CHILDREN'S HOSPICES

(A company limited by guarantee)

TRUSTEES' REPORT (INCLUDING DIRECTOR'S REPORT) FOR THE YEAR ENDED 31 DECEMBER 2021

The trustees (who are also the directors of the charity for the purposes of the Companies Act) present their report together with the audited financial statements of Hope House Children's Hospices (the charity and the group) for the year ended 31 December 2021.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's governing document, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)".

Structure, governance and management

(a) Constitution

Hope House Children's Hospices is a registered charity number 1003859 and is a company limited by guarantee, incorporated under the Companies Act 1985, number 2588103. The company was established under a Memorandum of Association on 4th March 1991 and is governed under its Articles of Association which were amended, and following Charity Commission approval, adopted in March 2018.

The directors of the charitable company are its trustees for the purpose of charity law and throughout this report are collectively referred to as the trustees. The liability of trustees is limited and in the event of the company being wound up, trustees may be required to contribute an amount not exceeding one pound.

The charitable objective as set out in the Memorandum of Association in 1991 is 'To promote the relief of illness and suffering in such a way as the association shall from time to time think fit.'

(b) Method of appointment or election of trustees

The management of the company is the responsibility of the trustees who are elected from members of the association under the terms of the Articles of Association. A formal policy sets out selection, recruitment and appointment of trustees to ensure trustees are Fit and Proper Persons to act in that capacity. The power of appointment rests with the Members of Association at an Annual General Meeting.

In accordance with the Articles of Association at the Annual General Meeting to be held every year, one third of the trustees for the time being, or if the number is not a multiple of three then the nearest to one third, shall retire from office. Trustees may offer themselves for re-election. The trustees to retire shall be those who have been longest in office since their last election or appointment.

The Association has considered and determined not to set a maximum number of terms of office that a trustee may serve as it is felt on balance that the interests of the charity are best served by continuity and stability of the Board, retaining the skills and expertise gained by trustees over their terms in office and limited by the small number of people coming forward to undertake the role. Trustees are subject to an annual review and the Board progressively refreshes the Board with the appointment of new trustees as Board members retire or where additional skills and experience is required. The decision on trustee terms of office was last reviewed in September 2021.

The trustees have no pecuniary interest in the company and give their services voluntarily. They receive no financial benefits from the charity but may claim expenses.

At the Annual General Meeting on the 22nd of September 2021 Meinir Wigley retired from the Board of Trustees. Barbara Evans, Stephen Henly and Phil Inch retired by rotation and being eligible for re-election were re-elected to the Board of Hope House Children's Hospices. Dr Supriya Kapas was appointed to the Board of Hope House Children's Hospices.

The 2022 AGM will be held at Hope House on Wednesday 14th of September 2022

HOPE HOUSE CHILDREN'S HOSPICES

(A company limited by guarantee)

TRUSTEES' REPORT (INCLUDING DIRECTOR'S REPORT) FOR THE YEAR ENDED 31 DECEMBER 2021

Structure, governance and management (continued)

(c) Policies adopted for the induction and training of the trustees

All new trustees receive an induction, during which training is undertaken on good governance and the roles and responsibilities of trustees. Trustees also have access to on-line training and in early 2020 a two-year trustee training plan was approved offering a combination of on-line training and in person development sessions. During 2021 trustees completing training in:

- COVID Response for Employees
- DSE Interactive
- General Data Protection Regulation (GDPR) Interactive
- Health and Safety for Directors Interactive
- Mental Health Legislation Interactive
- Safeguarding Children and Adults at Risk Interactive
- Social Media Use Interactive

Trustees also attended development sessions on the incidence and prevalence of children with life limiting conditions, the role of Nurse Associates, and unconscious bias

Trustees undertook an annual appraisal with the Chair of Trustees, and this helped to identify areas of concern, interest and development.

(d) Organisational structure and decision making

The charity is governed by its Memorandum and Articles of Association which vest the management of the company in the Board of Trustees appointed by the Members of the Association at the Annual General Meeting.

The Board has established a specialist committee structure to provide an efficient mechanism for discharging the Board's corporate governance responsibilities. The committees in place during 2021 were:

- Clinical Governance
- Income and Investments
- Audit and Risk
- HR and Remuneration

In addition, there are subsidiary Boards of Hope House (Trading) Ltd. and Hope House (Lottery) Ltd. on which the charity is represented.

Board and Committee meetings were held in person and online in accordance with section 24 Proceedings of Directors, subsection (6) of the Charity's Articles of Association approved by the Board on the 24th of March 2018. In limited cases decisions were made by written resolution in accordance with Article 16 of the Charity's Articles of Association.

The day-to-day operation and management of the company is vested in the Chief Executive Officer and Senior Management Team (SMT) under the approved Scheme of Delegation last reviewed and updated on 1st of October 2020.

HOPE HOUSE CHILDREN'S HOSPICES

(A company limited by guarantee)

TRUSTEES' REPORT (INCLUDING DIRECTOR'S REPORT) FOR THE YEAR ENDED 31 DECEMBER 2021

Structure, governance and management (continued)

(e) Risk management

The trustees have assessed the major risks to which the charity is exposed. A risk register has been established and is reviewed annually. Board reassurance is provided by the Audit and Risk Committee which considers the highest strategic risks annually with continuous monitoring. Systems or procedures have been established to mitigate the risks the charity faces.

In October 2021, the Audit and Risk Committee reviewed the most significant strategic risks facing Hope House Children's Hospices and their potential impact on the charity's ability to achieve its charitable purpose, and in December 2021, the Board agreed that the charity faced the following Critical and High Risks in 2022 and that the Audit and Risk Committee should monitor progress in implementing additional mitigation measures to manage these risks.

Number	Risk	Risk Rating December 2021	Direction of travel
35	Supporter dissatisfaction	12 High	
37	Shortage of staff with clinical skills	18 Critical	
38 (new risk)	Inability to recruit or retain non clinical staff with specialist skills	12 High	New risk

Objectives and Activities

(a) Policies and objectives

In December 2020, the Association reviewed its 'Mission' and following consultation, adopted in early 2021 a revised Mission Statement based on the Why, How and What model of organisational strategy.

Why We Are Here

'Why' is how we explain our purpose and the reason we exist and behave as we do.

There is no loss crueler than the death of a child. When your child is diagnosed with an incurable condition your heart breaks and your world falls apart. When your child dies, something dies in you too.

Facing that journey alone is terrifying. You feel so helpless. Without Hope House Children's Hospices, you struggle on, often isolated in your pain and grief. We must help.

*This must stop. **No-one should face the death of a child alone.***

HOPE HOUSE CHILDREN'S HOSPICES

(A company limited by guarantee)

TRUSTEES' REPORT (INCLUDING DIRECTOR'S REPORT) FOR THE YEAR ENDED 31 DECEMBER 2021

(Objectives and Activities (continued))

(a) Policies and objectives (continued)

How We Work

The 'How' is our approach to delivering our purpose and the values that underpin what we do.

We:

- Put the needs of the child and their family at the heart of everything we do
- Care for children and support families from diagnosis and continue for as long as we are able to provide the right care and support for them.
- Provide fair and equitable access to our services for everyone - regardless of location, their ethnicity, social or economic circumstances
- Deliver effective services as responsively as we can
- Raise sufficient funds and use them carefully to benefit the children and families we care for
- Value and recognise the contribution of all who help us to improve the quality of life for children and their families - our employees, volunteers, supporters and partners
- Are open and transparent in our business and activities, while protecting the rights of children and families to privacy at all times

(b) Strategies for achieving objectives

What We Do

The 'What' are our key activities and programmes that deliver our purpose.

Hope House Children's Hospices is a centre of excellence for children's palliative care ensuring every family facing the death of a child gets the very best care and support when and where they need it.

We achieve this through the following strategies:

Income strategies				Care strategy				People and resources strategies			
Retail	Fundraising	Individual Giving and Engagement	Communications and Marketing	Complex Care	Respite and Key worker	Family Support	Quality and Assurance	Finance and Business planning	Human Resources and Volunteering	Governance and Information management	Estates and Facilities

(c) Activities for achieving objectives

In 2021 we provided specialist nursing, care and support to life limited children and young adults and those living with a life-threatening condition. Our support extended to the whole family from diagnosis, throughout the lifetime of the child and beyond.

Bereavement support and online and telephone specialist counselling was provided to any family after the death of their child - whether or not we had previously cared for them.

To fund the provision of care the charity received funding from statutory sources and raised funds by donations, by the sale of donated goods and by the operation of two wholly owned subsidiary trading companies, one that sold new goods for the benefit of the charity and the other that operated our lottery. During 2021 government regulations in both England and Wales required our shops to cease trading for around a quarter of the year and the stay at home or stay local orders that were enacted significantly restricted face to face fundraising including mass participation events and the door-to-door recruitment of supporters to play the lottery.

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Volunteers

In addition to paid staff the charity was supported by volunteers who are active in many roles across all areas of the organisation including the Trustees who give their time voluntarily. Many volunteers support fundraising activities and work in our charity shops. Almost 40% of volunteers are age 65 or older and understandably many volunteers paused their volunteering in the shops during the Coronavirus pandemic and others retired during the year. Following the roll out of the vaccine from late 2020 many volunteers return to the shops when they reopened in April 2021 and we launched a new volunteer recruitment campaign to coincide with the reopening.

During 2021 the pandemic continued to have an impact on the ability of volunteers to support Hope House Children's Hospices. In early 2020 prior to the pandemic, there were 588 volunteers active with Hope House Children's Hospices. At the end of 2020, this number had fallen to just 185. As the shops re-opened and fundraising restarted in 2021 many volunteers re-joined us and in 2021, 445 individuals actively volunteered donating 50,185 hours, worth equivalent of £539,000 in salary cost alone.

The charity is indebted for the unstinting efforts of its volunteers. The contribution made by our many dedicated volunteers and the considerable hours worked cannot be overstated; helping the charity have a much greater impact than could be achieved otherwise, through the governance of the charity, raising money, providing care and support to children and families, and by acting as ambassadors for the charity within their own communities and beyond.

Supporting employees

In January 2020 Hope House Children's Hospice was subject to an unannounced inspection by the Care Quality Commission. In the inspection report the Inspector concluded "Leaders ran services well using reliable information systems and supported staff to develop their skills. Staff understood the service's vision and values, and how to apply them in their work. Staff felt respected, supported and valued."

Disability Confident Employer

Hope House Children's Hospices is a Level 2 Disability Confident Employer registered with the Department of Work and Pensions. Disability Confident Employers are recognised as going the extra mile to make sure disabled people get a fair chance.

Full details can be found at <https://www.gov.uk/government/collections/disability-confident-campaign>

Gender pay gap

Every year the charity publishes its annual gender pay gap report. The gender pay gap is a measure of the difference between men's and women's average earnings across an organisation or the labour market. It is expressed as a percentage of men's earnings. The table below shows the gender pay gap for Hope House Children's Hospices based on data from the 5th April each year.

	2019	2020	2021
Mean gender pay gap	+4.85%	+9.39%	+14.99%

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Supporting employees (continued)

Gender pay gap (continued)

The proportion of males and females in each quartile pay band of Hope House Children's Hospices in 2019 and 2021 is shown below:

Band	2021		2019		Description
	Males	Females	Males	Females	
A	8.5%	91.5%	11.3%	88.7%	Includes all employees whose standard hourly rate places them at or below the lower quartile
B	5.1%	94.9%	12.7%	87.3%	Includes all employees whose standard hourly rate places them above the lower quartile but at or below the median
C	15.3%	84.7%	14.3%	85.7%	Includes all employees whose standard hourly rate places them above the median but at or below the upper quartile
D	10.2%	89.8%	6.5%	93.5%	Includes all employees whose standard hourly rate places them above the upper quartile

The results show that despite the UK trend that men are more likely to be employed in more senior roles commanding higher salaries than women, this is not the case at Hope House Children's Hospices. The increase in gender pay gap over the three-year period is attributed to a small increase in male employees in the upper quartile of the organisation and a reduction in male staff in the lower quartile.

The table also shows that we have significantly more female employees than male which is reflective of the care, nursing, retail and hospitality industries which Hope House operates in.

The ongoing difference between the median pay for men and women arises from the roles in which men and women work within the organisation and the salaries that these roles attract. Hope House Children's Hospices is therefore confident that any gender pay gap does not stem from paying men and women differently for the same or equivalent work.

Taken together the findings show that a gender pay gap as defined by the Equality Act does not exist at Hope House Children's Hospices that any marginal gender pay gap does not stem from paying men and women differently for the same or equivalent work.

Kickstart

During 2021, Hope House Children's Hospices was successful in being awarded funding to create up to 30 six-month, meaningful jobs for young people, aged 16-24, who were claiming Universal Credit and referred to us for employment opportunities through the Kickstart Programme. Although we were ultimately unable to fill all the placements, 16 young people joined the charity and 13 successfully completed their placements, gaining confidence and work skills. 3 went on to permanent employment following the programme.

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Supporting employees (continued)

Support during the pandemic

The pandemic continued to have a significant impact on our workforce in 2021 with a substantial number of employees furloughed for part of the year and restrictions in place at the hospices throughout the year. Safety continued to be our number one priority and staff from across the charity worked together diligently to ensure a continued safe and effective environment.

New risk assessments, procedures, PPE, training and communication programmes helped to ensure we maintained a COVID secure working environment, whilst also preventing feelings of isolation or disconnect for those at home.

Early access to the vaccine for health and social care staff meant that patient facing staff at the hospices were able to receive their first vaccinations from Mid-January 2021 and all hospice based staff soon afterwards. Take up of the vaccine by health and care staff has been very high with over 95% of staff receiving the full course of vaccines.

Covid restrictions eased progressively through 2021, although by the end of the year, testing, physical distancing, symptom screening and PPE remained in place in the healthcare setting.

The activities and initiatives started in 2020 to help employees stay engaged and informed continued during 2021 including:

- Online staff updates sessions and regular workplace updates from the Chief Executive and senior managers
- Workplace health and wellbeing group with information on mindfulness, fitness, yoga, healthy eating and working from home
- Celebrations of achievements and saying thank you – Christmas thank you parcel

Achievements and performance

(a) Going concern

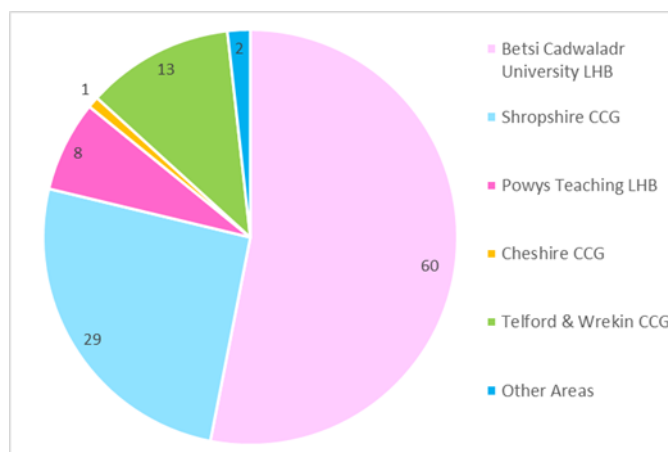
After making appropriate enquiries, the trustees have a reasonable expectation that the charitable company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

(b) Review of activities

Children and young people registered with Hope House Children's Hospices

Hope House Children's Hospices supports children and families' resident in Shropshire, Cheshire, North and Mid Wales. During the year 231 children and young adults with life limiting and life-threatening conditions were registered with Hope House Children's Hospices, down from 264 in 2020. The number of new referrals also reduced from 54 in 2020 to 37 in 2021. It is believed that the reduction in referrals was due to delays within the NHS as the service continued to respond to the Covid pandemic.

The majority of children registered were resident in the Betsi Cadwaladr Health Board area (North Wales) followed by Shropshire CCG area.



Sadly 27 children registered with the hospices died. 7 families were supported by the hospices in our Snowflake service immediately following the death of their child. All families received bereavement support either in the hospice or at home.

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TRUSTEES' REPORT (INCLUDING DIRECTOR'S REPORT) FOR THE YEAR ENDED 31 DECEMBER 2021

Achievements and performance (continued)

(b) Review of activities (continued)

Hospice Services

Hope House Children's Hospices operates two hospices, Hope House in Morda near Oswestry, Shropshire and Tŷ Gobaith in Conwy, North Wales. Despite the challenges of the pandemic both Hope House and Tŷ Gobaith remained open throughout the year.

In 2020 hospice care as we knew it changed drastically and from the outset of the pandemic continuing to deliver care and support to the children, young people and their families in response to their need remained our priority.

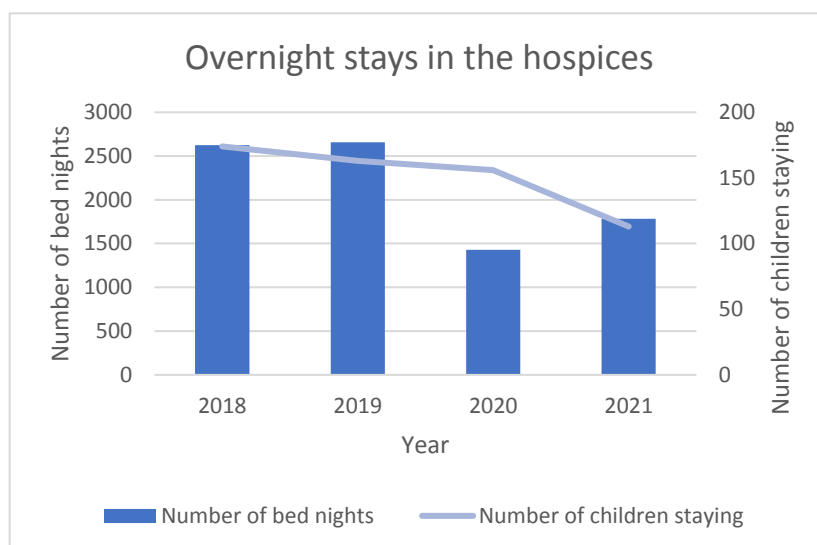
On the 3rd of September 2021 new guidance was released advising that clinical studies had shown that children and young people are at very low risk of serious illness if they catch COVID-19. As a result, children and young people under the age of 18 were no longer considered to be clinically extremely vulnerable and should continue to follow the same guidance as everyone else. This announcement allowed the mixing of children within the healthcare settings and significantly improved hospice experience for children, families and care staff. It also allowed more beds to open, although staffing vacancies meant that the hospice remained unable to operate at full capacity.

By the end of 2021, 6 beds were routinely open for respite and occupancy was at 56%. This increased to 67 % in early 2022.

In 2020, 156 children stayed overnight at the hospices. In 2021 the number reduced further to 113 children, with the reduction due to families continuing to shield as restrictions eased but vaccines were not available for children and workforce number challenges.

Although the number of children staying at the hospices during 2021 fell by 28% the number of nights that children stayed at the hospices increased by 25% to 1782. Although still well short of levels of in house care delivered pre pandemic this signifies the start of a restoration of services.

During 2021, care within the hospice continued to be undertaken in designated areas with strict access and exit regimes and infection control measures, dependent upon the individual needs of the child and family. Visits to family homes were restricted to end of life or care after death with appropriate PPE and infection control measures.



Closer working developed with NHS colleagues during 2021. The symptom control service established in 2018 continued during the year to provide multi-disciplinary reviews and symptom control and the neonatal nurses provided support for 118 families. In late 2021 agreement was reached with Wales NHS to appoint a Paediatric Palliative Care Consultant in partnership with Betsi Cadwallader Health Board to provide specialised care for children from Mid and North Wales and those accessing services at Hope House and Ty Gobaith. The post holder is due to start in June 2022.

Hospice services continued to support the whole family with the keeping in touch calls with families established in 2020 evolving into a Key Worker Service supporting 128 families during 2021. Sibling Support helped 430 brothers and sisters an increase of 23% over 2020.

HOPE HOUSE CHILDREN'S HOSPICES

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TRUSTEES' REPORT (INCLUDING DIRECTOR'S REPORT) FOR THE YEAR ENDED 31 DECEMBER 2021

Achievements and performance (continued)

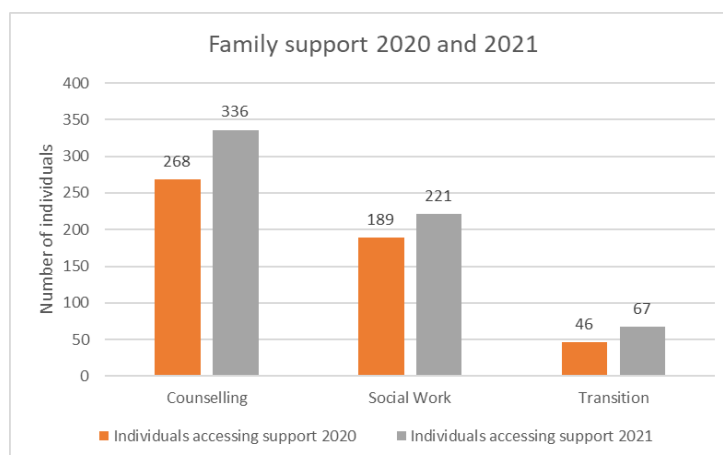
(b) Review of activities (continued)

Family Support Services

Our Family Support service consists of counselling, social work and transition support. During 2021 an increasing number of children and families were supported through online, telephone and were direct face to face support.

Collectively these services provided support to 624 individuals as shown in the chart, an increase of 24% from the previous year.

During 2021 we continued to offer only telephone and online counselling. In late 2021 we conducted a review of the counselling service and whilst most respondents found online and telephone counselling beneficial and flexible, a need was identified to offer face to face counselling in certain circumstances and this will be reintroduced in 2022.



Monitoring Impact

Service users, families and carers offer a unique voice on the impact of the services offered by the charity. There is an established commitment to the engagement and involvement of service users, families and carers to ensure that children and families are at the heart of what we do.

Very positive feedback was received during 2021 on the newly established Key Worker Service. The service provides each Hope House and Ty Gobaith family with a Key Worker who is in regular contact with the family, providing help and linking them into activities and support available in their local area. Feedback included:-

*"I can vouch just how amazing your Key Worker service is. N**** is amazing and has the instinct to phone just when you need her. We all have days where we need some advice, guidance or just a chat and knowing someone is there for just that purpose makes you feel less guilty for contacting them. As you know yourselves us parents and carers will feel we can't bother people and that is exactly what we need to learn as the sooner we sort an issue, have a chat then as they say 'a problem shared is a problem halved'."*

A Community Paediatrician gave feedback by email on the support offered to one of his patients and their family by the Key Worker project...

*"One of my families have accessed the pilot in *****, and it has been really helpful and supportive over and very difficult and uncertain time while they were being rehoused. Having a key worker within the team, supported this child's mum to develop a strong relationship with a member of staff who was able to liaise both with over members of the Ty Gobaith team, e.g. the social worker, and ourselves, enhancing the communication across the whole team, both within health, education and children's services."*

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TRUSTEES' REPORT (INCLUDING DIRECTOR'S REPORT) FOR THE YEAR ENDED 31 DECEMBER 2021

Achievements and performance (continued)

(b) Review of activities (continued)

Monitoring Impact (continued)

From January to April 2021 when families were still in 'lockdown' a group of siblings attended 4 sessions of music therapy, created their own instruments and developed their music awareness. This was followed by 8 sessions where the music therapist worked with both sibling and their brother or sister who has a life-threatening condition. One of these groups went on to write, record and produce a video to accompany their own compositions. The feedback on the programme was positive including this comment from a young person with a life limiting condition

'The music therapy sessions have been incredibly helpful during my time in lockdown. I really enjoyed taking the time to express my thoughts on various stresses that I was undergoing through music and film, and was very happy with the finished songs and music videos at the end at the end'

Other feedback received during the year includes:-

Service User Feedback

'I would like to thank you all for the immeasurable kindness you have shown me throughout the year, though I cannot express the length of my gratitude on this card, I hope will be able to express my immense appreciation for Ty Gobaith and all who work there to the fullest extent'.

Parent Feedback

*Thank you so much for having ****. I've had much needed downtime and feel completely refreshed. Its lovely knowing ***** is safe and happy'.*

*"Cannot thank the hospice enough to be able to take '*****' in for us, I do not have to worry about her while the house is being adapted for her needs and I know she is safe at hope house"*

"The warmth, kindness, compassion of all the staff they encounter is very apparent. The sense of fun, love and obvious commitment and passion of the staff in caring for us and our son is amazing. We all "just get him"

Professional Feedback

'I think you all need to be proud of yourselves on how dedicated you have been towards this young man and his family'.

'Very much appreciated and valued the hospice services and that our level of care is exemplary'

Towards the end of the year a new Quality and Assurance Nurse role was created with responsibility to:-

- Demonstrate a commitment to excellence in Care and service user experience.
- Lead on service user engagement to enhance and inform the future of care services, systems and processes.
- Collate family feedback to provide assurance that services are meeting their needs.
- Champion diversity and equality to ensure that care services and activities are accessible irrespective of location and in keeping with the principles of equal opportunities.

This appointment will strengthen and formalise systems and opportunities for feedback to improve and develop services.

Complaints

No complaints about the care provided were upheld in 2021.

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TRUSTEES' REPORT (INCLUDING DIRECTOR'S REPORT) FOR THE YEAR ENDED 31 DECEMBER 2021

Achievements and performance (continued)

(c) Fundraising activities/Income generation

Fundraising activities

It is testament to our supporters and our team that despite the pandemic and restrictions on the ability to hold fundraising events continuing for significantly longer than initially anticipated, fundraising income (excluding legacies) at £2.4 Million exceeded both the budget and 2019 income. In memory and trust income were areas of growth.

Although fundraising in 2021 remained challenging we built on the success and learning of virtual and remote fundraising events held in 2020 and these continued in 2021. In November, a new online fundraising initiative was delivered called Final Moments Matter and during just 36 Hours over £560,000 was raised to fund all end of life care in 2022.

Legacy income in 2021 was £1.6 Million, substantially lower than in many of the previous years. Legacy income is notoriously difficult to predict and conclusions cannot be drawn from this one year's figure.

Donors, supporters and volunteers can be confident that Hope House Children's Hospices complies with the regulatory standards for fundraising. We are registered with the Fundraising Regulator and are committed to the Fundraising Promise and adherence to the Code of Fundraising Practice.

We have comprehensive policies in place which include, amongst others:

- A complaints policy which is published on our website
- Vulnerable Persons policy used in lottery face to face recruitment and fundraising
- Health and safety procedures including risk assessments and first aid for events
- An organisational wide policy to support volunteers who generously give their time to the charity
- Privacy and Data Protection policies

We take feedback seriously and although we strive to receive no complaints, when we did, these were prioritised and investigated, fully, quickly and fairly. Where a complaint was upheld we learnt from our mistake and acted by putting in effective measures to limit further distress or complaints of the same nature.

Our website outlines our complaints policy for the public and clearly explains how an individual can complain.

The following complaints were received in 2021.

- Retail: Five complaints – all upheld and action taken
- Lottery: Twelve complaints – three complaints surrounding the telephone campaign, seven complaints about residential canvassers and two complaints regarding communications from our office
- Fundraising: Three complaints – one complaint upheld and action taken

Given the level of activity and number of transactions in the year the level of complaint remains very low. We received no complaints or notifications via the Fundraising Regulator.

We sometimes engage the services of third parties to help us deliver the fundraising objectives, particularly where we do not have the expertise in house. We have safeguards in place when working with suppliers to protect our supporters and the reputation of our charity. We aim to ensure those agencies we employ also observe the highest standards in terms of fundraising practice. We manage and monitor the work undertaken on our behalf and have robust contracts in place to ensure that all activities are carried out to our high standards.

We are signed up to the Fundraising Preference Service to enable individuals to opt out from receiving fundraising communications from us.

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TRUSTEES' REPORT (INCLUDING DIRECTOR'S REPORT) FOR THE YEAR ENDED 31 DECEMBER 2021

Achievements and performance (continued)

(c) Fundraising activities/Income generation (continued)

Fundraising activities (continued)

Our reputation with those who need our services and to those who kindly donate to us is paramount. We therefore make the following promises to those who so kindly support us:

1. We comply with all relevant law, regulations and codes of practice and ensure that those who are contracted to work with us understand and adhere to them in their entirety. We regularly monitor performance and have robust contracts in place to ensure compliance.
2. We treat the information supporters provide with the utmost respect and use it only for the purposes for which it has been given. Supporters can change their preferences at any time, and we aim to implement those changes within 2 working days.
3. We have a comprehensive vulnerable people's policy that is regularly reviewed and updated as required.
4. We respect and value all contributions to the charity and will never do any fundraising activity that may undermine our core values or integrity.

Income from statutory bodies

We are hugely grateful to the UK and Welsh Governments, NHS England and NHS Wales for the financial support they continued to provide to hospices throughout 2021 to retain staff during the pandemic and to allow the hospice to make available bed capacity and community support to people with complex needs in the context of COVID-19 and to maintain core service provision. During 2021 Hope House Children's Hospices received £1.14m in Job Retention Scheme grants, Business Support grants and Hospice Emergency government funding. This funding was in addition to the annual funding received for service level agreements with Local Health Boards and Clinical Commissioning Groups.

Retail contribution

2020 was undoubtedly Retail's most difficult year with shops able to open on only 53% of planned trading days. 2021 started with further enforced shop closures with shops reopening in April 2021. Despite losing 14 weeks of trading, retail contributed over £250,000 to the charity in 2021.

The running of the retail operation is heavily dependent on volunteers and during 2020 many volunteers paused their volunteering or retired. By the end of 2020 approximately 40% of volunteering hours had returned and successful volunteer recruitment campaigns during 2021 and the roll out of the Covid vaccines saw the number of active volunteers working in retail increase sharply from 170 to 231 by the end of the year. Over the course of the year retail volunteers donated 46,626 hours with an annual salary saving of £415,000. As ever we are indebted to our volunteers.

A new five-year Retail Strategy was approved by the Board in December 2020 to pursue the following Mission

"We will generate £1Million annual contribution towards the pursuit of Hope House Childrens Hospices Vision by 2025 by recruiting, developing and supporting the best people and delivering the best service through the best presented sale channels."

Good progress was made on delivering the objectives set during 2021. This included establishing the Retail management team, remerchandising Shrewsbury Harlescote and Chester into 'Big shops' and establishing the Flint shop as the North Wales Retail Hub, which along with temporary storage donated in Oswestry meant we were able to close our Wrexham warehouse.

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TRUSTEES' REPORT (INCLUDING DIRECTOR'S REPORT) FOR THE YEAR ENDED 31 DECEMBER 2021

Achievements and performance (continued)

(c) Fundraising activities/Income generation (continued)

Hope House Lottery

The Hope House Lottery is run in conjunction with our partner, Sterling Lotteries, who draw the winning numbers every Friday (www.sterlinglotteries.co.uk). The Hope House Lottery belongs to the member group HLA (www.hospicelotteries.co.uk). We adhere to the Gambling Commission regulations including contributing to begambleaware each year.

Every week the Hope House Lottery team enter all members who have paid their £1 to participate in the draw. Winners do not need to claim their prize as all cheques are automatically sent to them.

Despite ongoing Covid restrictions and difficulties in recruiting canvassers impacting on the recruitment of supporters to play the lottery, income from the lottery remained steady in 2021 at just under £1.8 Million due to low levels of attrition and smaller recruitment costs.

During the year we contracted with face-to-face canvassing agencies and individuals to recruit new supporters to the lottery through a combination of residential door to door recruitment and at venues. Due to lockdown restrictions residential and venue canvassing did not restart until mid-April 2021. During the year we worked with an agency on a telephone campaign via a third-party call centre, but results proved disappointing, and we mutually agreed to end the campaign after only a few weeks.

The business plan for 2021 set a target for the recruitment of 6,500 new lottery entries. By year end just over 4,200 new lottery entries were secured. A continued focus on player engagement over the year saw attrition remain below 25% and at the end of the year there were 31,535 tickets in the weekly lottery making this one of the largest hospice lotteries in the UK.

(d) Investment policy and performance

The investment portfolio is managed by the Income & Investment Committee of the Board of Trustees. In general terms, the aim is to spread risk across several sectors as follows:

- Cash in UK registered current, deposit and overnight bank accounts.
- Shares traded on the London Stock Exchange and overseas.
- Freehold and leasehold land.
- Shares and other investments donated to the charity (after a full financial review of the investment at the next appropriate investment committee meeting).
- Shares in subsidiary companies.
- Unit trusts, open ended investment companies, trust companies and the like.

The Income and Investments Committee is mindful of its key responsibility of keeping the finances of the charity as secure as possible and therefore have adopted a balanced low/medium risk investment strategy. The committee engaged the services of Investec Wealth and Investment and Parmenion Capital Partners to manage the charity's equity portfolio and received independent financial advice from Redbourne Wealth Management.

The performance of the Investment Manager and Portfolio is reviewed regularly by the Income and Investment Committee and performance is assessed against the Balanced Asset Benchmark produced by Asset Risk Consultants (ARC). In 2021 the investment valuation (excluding additional investments) showed growth of 8.03% across the portfolio.

We started 2021 with an investment portfolio of £4.88 million. £106,739 Investment income was received through dividends and interest earned on the charity and group's listed investment portfolio. Reinvesting income and a further investment of £1.5 Million during the year resulted in £6,836,297 held in investments at year end.

HOPE HOUSE CHILDREN'S HOSPICES

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TRUSTEES' REPORT (INCLUDING DIRECTOR'S REPORT) FOR THE YEAR ENDED 31 DECEMBER 2021

Financial review

(a) Financial and risk management objectives and policies

The Coronavirus pandemic was anticipated to continue impacting on the charity's financial situation in 2021 and a three-stage approach was adopted which split the year (and therefore our financial expectations) into thirds: -

1. January to April – limited activity and results assuming the continuation of performance levels seen in the final months of 2020.
2. May to August – interim period with results “curved” to bridge between the first third and final third showing gradually increasing results.
3. September to December – the end of the pandemic and impact of the work of the Plan Ahead teams sees a return to “normal” levels of performance based on those anticipated in the original 2020 budget.

No cuts in services or cost reduction initiatives were recommended for 2021, despite an anticipated deficit of - £971,810. This was because the significant surplus generated in 2020 due to the various government grant schemes would fund the deficit whilst leaving reserves intact.

We planned for a significant deficit budget for 2021 as we built back our fundraising activity. Whilst the shadow of Covid still loomed heavy over fundraising activity, the success that we achieved including, but not limited to Final Moments Matter, exceptional trust income, retail and lottery results and unbudgeted financial support from the Government resulted in a significant and unexpected financial surplus this year.

The trustees believe that whilst income always remains uncertain, the action taken to mitigate the risks and the reserves held mean that the risk of insufficient income to meet the charity's objectives has reduced in 2022 to a Medium Risk – under control but keep under managerial/audit review.

(b) Reserves policy

The Pandemic demonstrated how the charity's income is susceptible to fluctuations resulting from events beyond its control. Reserves are held to help ensure that children and families in the future will continue to be able to access care and support.

The interaction between reliability of income and the extent to which expenditure is committed helps determine the reserves policy. From analysis it has been determined that there are high levels of uncertainty over income offset by a fairly stable cost base. This led to a risk-based Reserves Policy first approved in June 2017 and revised in September 2019 that ensures reserves are held as designated funds for business continuity, workforce management and investment.

The policy sets minimum unrestricted available Designated Reserves of £4.8 million at the beginning of 2021. If reserves fell below the minimum reserve for a period of two consecutive quarters then action was to be taken within 12 months to reduce costs in accordance with the agreed priorities, bringing expenditure and income into balance. This situation did not occur in 2021.

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TRUSTEES' REPORT (INCLUDING DIRECTOR'S REPORT) FOR THE YEAR ENDED 31 DECEMBER 2021

Plans for the future

The Care, Fundraising, Volunteering, Retail and Digital Delivery Strategies approved over the last couple of years are the 'What' we do to deliver our Mission. These are all multiyear strategies, and they remain sound and fit for purpose. The Covid pandemic caused a hiatus in their delivery but certainly have not derailed them.

Several of the objectives and service improvements we intended to introduce in 2020 and 2021 stalled or were delayed as our focus was firmly set on managing through the pandemic and the priority is to deliver these in 2022. The title we have therefore given to our business plan for 2022 is 'completing unfinished business' and the business plan sets out to resource and prioritise this.

What 2021 taught us is that we cannot assume that we are returning to business as usual any time soon, so we need to temper our expectations. Delivery of our objectives will depend on our ability to recruit and retain staff. We are experiencing increased challenges in recruiting to key posts across the charity and addressing this recruitment challenge is a core objective for the year.

We are not proposing new service developments for 2022 other than those already agreed, and our focus will be on delivering the unfinished business of the agreed strategies whilst remaining resilient to cope with anything the pandemic or its aftermath may bring.

Trustees' responsibilities statement

The trustees (who are also directors of Hope House Children's Hospices for the purposes of company law) are responsible for preparing the trustees' report (including the group director's and strategic report) and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS102);
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable group will continue in operation.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company and the group's transactions and disclose with reasonable accuracy at any time the financial position of the charitable group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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TRUSTEES' REPORT (INCLUDING DIRECTOR'S REPORT) FOR THE YEAR ENDED 31 DECEMBER 2021

Disclosure of information to auditors

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

- so far as that trustee is aware, there is no relevant audit information of which the charitable group's auditors are unaware, and
- that trustee has taken all the steps that ought to have been taken as a trustee in order to be aware of any relevant audit information and to establish that the charitable group's auditors are aware of that information.

This report, incorporating the group strategic report, was approved by the trustees, in their capacity as company directors, on 29th June 2022 and signed on their behalf by:

Stephen Henly
Chair of Trustees

HOPE HOUSE CHILDREN'S HOSPICES

(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF HOPE HOUSE CHILDREN'S HOSPICES

Opinion

We have audited the financial statements of Hope House Children's Hospices (the 'charitable parent company') and its subsidiaries ('the group') for the year ended 31 December 2021 which comprise the group statement of financial activities, the group balance sheet, the charitable company balance sheet, the group statement of cash flows and the related notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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 December 2021 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'; 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 Auditors responsibilities for the audit of the financial statements section of our report. We are independent of the group and the charitable company 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 trustees' use of 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 charity'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 other information comprises the information included in the annual report set, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

HOPE HOUSE CHILDREN'S HOSPICES

(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HOPE HOUSE CHILDREN'S HOSPICES

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the report of the trustees, which includes the directors' report for the purpose of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the report of the trustees has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the environment of the charitable company and the group obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the report of the trustees.

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

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of trustee

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

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Enquiries of management and those charged with governance were held in order to identify any laws and regulations that could be expected to have a material impact on the financial statements. Throughout the audit, the team were updated with the outcomes of these enquiries including consideration as to where and how fraud may occur in the charitable company and the group.

HOPE HOUSE CHILDREN'S HOSPICES

(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HOPE HOUSE CHILDREN'S HOSPICES

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

No instances of material non-compliance were identified, although the prospect of detecting irregularities, including fraud, is inherently difficult. This is due to; difficulty in detecting irregularities; limits imposed by the effectiveness of the entity's controls; and the nature, timing and extent of the audit procedures performed. Irregularities as a result of fraud are inherently more difficult to detect than those that resulting from error. Despite the audit being planned and performed in accordance with ISAs (UK), there is an unavoidable risk that material misstatements may not be detected.

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

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 auditors' 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.

Michael Caputo FCA (Senior Statutory Auditor)
For and on behalf of Xeinadin Audit Limited

29th June 2022

Chartered Accountants
Statutory Auditor

2 Hilliards Court
Chester Business Park
Chester
Cheshire
CH4 9PX

Notes:

1. The maintenance and integrity of the Hope House Children's Hospices website is the responsibility of the trustees; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the web site.

HOPE HOUSE CHILDREN'S HOSPICES**(A company limited by guarantee)****CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Note	Unrestricted funds £	Restricted funds £	2021 Total funds £	2020 Total funds £
INCOME					
Donations and legacies	3	3,959,153	311,996	4,271,149	4,297,681
Income from trading activities	4	3,666,042	-	3,666,042	3,067,304
Income from charitable activities	5	-	1,047,542	1,047,542	1,017,422
Investment income	6	106,739	-	106,739	91,244
Other income	7	328,718	815,714	1,144,432	1,766,849
TOTAL INCOME		8,060,652	2,175,252	10,235,904	10,240,500
EXPENDITURE					
Expenditure on raising funds:					
Raising funds within the charity	8	1,005,708	-	1,005,708	884,661
Expenditure on trading activities	9	2,140,829	-	2,140,829	2,052,483
Expenditure on charitable activities	10	4,148,002	2,032,515	6,180,517	5,483,352
TOTAL EXPENDITURE		7,294,539	2,032,515	9,327,054	8,420,496
NET SURPLUS FOR THE YEAR		766,113	142,737	908,850	1,820,004
Gains on revaluation of investments	18	383,725	-	383,725	116,244
Gross transfer between funds		48,958	(48,958)	-	-
NET MOVEMENT IN FUNDS FOR THE YEAR		1,198,796	93,779	1,292,575	1,936,248
Total funds at 1 January		14,040,636	73,041	14,113,677	12,177,429
TOTAL FUNDS AT 31 DECEMBER		15,239,432	166,820	15,406,252	14,113,677

All activities relate to continuing operations. The Statement of Financial Activities includes all gains and losses recognised in the year.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

The notes on pages 28 to 49 form part of these financial statements.

HOPE HOUSE CHILDREN'S HOSPICES

(A company limited by guarantee)

CONSOLIDATED BALANCE SHEET FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	£	2021 £	£	2020 £
FIXED ASSETS					
Tangible assets	17		4,963,594		5,028,521
Investments	18		6,836,297		4,875,575
			<u>11,799,891</u>		<u>9,904,096</u>
CURRENT ASSETS					
Stocks	19	9,498		12,760	
Debtors	20	1,956,357		1,981,880	
Cash at bank and in hand		<u>2,258,593</u>		<u>2,710,974</u>	
		4,224,448		4,705,614	
CREDITORS					
Amounts falling due within one year	21	<u>(618,087)</u>		<u>(496,033)</u>	
NET CURRENT ASSETS			3,606,361		4,209,581
NET ASSETS			<u>15,406,252</u>		<u>14,113,677</u>
CHARITY FUNDS					
Unrestricted Funds:					
Designated funds	22		5,110,000		4,862,000
General funds	22		<u>10,129,432</u>		<u>9,178,636</u>
			15,239,432		14,040,636
Restricted Funds	22		166,820		73,041
TOTAL FUNDS			<u>15,406,252</u>		<u>14,113,677</u>

The financial statements were approved by the trustees on 29th June 2022 and signed on their behalf by:

Stephen Henly
Chair of Trustees

The notes of pages 28 to 49 form part of these financial statements.

HOPE HOUSE CHILDREN'S HOSPICES

(A company limited by guarantee)

CHARITY BALANCE SHEET

FOR THE YEAR ENDED 31 DECEMBER 2021

		2021		2020	
	Note	£	£	£	£
FIXED ASSETS					
Tangible assets	17		4,963,594		5,028,521
Investments	18		6,836,301		4,875,579
			<u>11,799,895</u>		<u>9,904,100</u>
CURRENT ASSETS					
Stocks	19	7,731		10,902	
Debtors	20	2,607,850		3,445,616	
Cash at bank and in hand		<u>1,431,406</u>		<u>1,122,724</u>	
		4,046,987		4,579,242	
CREDITORS					
Amounts falling due within one year	21	<u>(447,061)</u>		<u>(376,096)</u>	
NET CURRENT ASSETS			3,599,926		4,203,146
NET ASSETS			<u>15,399,821</u>		<u>14,107,246</u>
CHARITY FUNDS					
Unrestricted Funds:					
Designated funds	22		5,110,000		4,862,000
General funds	22		<u>10,123,001</u>		<u>9,172,205</u>
			15,233,001		14,034,205
Restricted Funds	22		166,820		73,041
TOTAL FUNDS			<u>15,399,821</u>		<u>14,107,246</u>

The financial statements were approved by the trustees on 29th June 2022 and signed on their behalf by:

Stephen Henly
Chair of Trustees

As permitted by s408 Companies Act 2006, the charitable company has not presented its own statement of financial activities and related notes. The charitable company's surplus for the year was £1,292,575 (2020: £1,936,248).

The notes of pages 28 to 49 form part of these financial statements.

HOPE HOUSE CHILDREN'S HOSPICES
(A company limited by guarantee)

**CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Notes	2021 £	2020 £
Cash provided by operating activities	1	<u>1,308,185</u>	<u>1,657,000</u>
Cash flows from investing activities:			
Purchase of tangible fixed assets		(260,566)	(227,035)
Purchase of listed investments		(1,500,000)	(232,686)
Sale of listed investments		-	169,423
Investment income		-	91,244
Cash used on investing activities		<u>(1,760,566)</u>	<u>(199,054)</u>
(Decrease)/Increase in cash and cash equivalents in the year		(452,381)	1,457,946
Cash and cash equivalents at the beginning of the year	2	<u>2,710,974</u>	<u>1,253,028</u>
Cash and cash equivalents at the end of the year	2	<u>2,258,593</u>	<u>2,710,974</u>

The notes on pages 28 to 49 form part of these financial statements.

HOPE HOUSE CHILDREN'S HOSPICES
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

1 RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2021	2020
	£	£
Net income for the reporting period (as per the statement of financial activities)	1,292,575	1,936,248
Adjustments for:		
Income from investments	(106,621)	(91,244)
Depreciation of tangible fixed assets	325,493	318,196
Revaluation of investments	(383,725)	(116,244)
Investment management fees	29,625	-
(Increase)/decrease in stocks	3,262	(5,884)
(Increase) in debtors	25,523	(253,839)
(Decrease)/increase in creditors	122,053	(130,233)
Net cash provided by (used in) operating activities	<u>1,308,185</u>	<u>1,657,000</u>

2 ANALYSIS OF CASH AND CASH EQUIVALENTS

	2021	2020
	£	£
Cash at bank and in hand	<u>2,258,593</u>	<u>2,710,974</u>
Total cash and cash equivalents	<u>2,258,593</u>	<u>2,710,974</u>

HOPE HOUSE CHILDREN'S HOSPICES

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

1. ACCOUNTING POLICIES

Charity information

Hope House Children's Hospices is a registered charity and private company limited by guarantee incorporated in England and Wales. The registered office is Nant Lane, Morda, Oswestry SY10 9BX.

The group consists of Hope House Children's Hospices and all of its subsidiaries.

The charitable company's financial statements have been prepared in compliance with the Charities SORP (FRS 102) issued 1 January 2015 (update bulletin 2, effective 1 January 2019).

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's governing document, the Companies Act 2006 and "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)" (as amended for accounting periods commencing from 1 January 2019). The charitable company is a Public Benefit Entity as defined by FRS 102. The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain financial instruments at fair value. The principal accounting policies adopted are set out below.

The charitable company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The charity has therefore taken advantage of exemptions from the following disclosure requirements for parent company information presented within the consolidated financial statements:

- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues': Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

1.2 Basis of consolidation

The consolidated financial statements incorporate those of Hope House Children's Hospices and all of its subsidiaries (i.e. entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits) on a line-by-line basis. All financial statements are made up to 31 December 2021.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

1.3 Preparation of the accounts on a going concern basis

The trustees have considered the future trading of the charitable company and the group and have prepared cash flow forecasts for a period of 12 months from the date of these financial statements.

At the time of approving the financial statements, the trustees have a reasonable expectation that the charitable company and group have adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

HOPE HOUSE CHILDREN'S HOSPICES

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

1. ACCOUNTING POLICIES (continued)

1.4 Incoming resources

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

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution.

Where legacies have been notified to charities or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Income from charitable activities is grant income received from local government, this is recognised when the charity has entitlement to the funds, any performance conditions have been met and the amount can be reliably measured.

Other income relates to support provided to the charity throughout the COVID-19 pandemic and includes; Coronavirus Job Retention Scheme grants, retail support grants and hospice support grants. Income is recognised on receipt or when the amount can be reliably measured.

1.5 Donated services and facilities

Donated professional services and donated facilities are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item is probable and the economic benefit can be measured reliably.

In accordance with the Charities SORP (FRS102), the general volunteer time is not recognised, refer to the trustees' annual report for more information about their contribution.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

1.6 Interest receivable

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

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation. Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

HOPE HOUSE CHILDREN'S HOSPICES

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

1. ACCOUNTING POLICIES (continued)

1.7 Fund accounting

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

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

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

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

1.8 Expenditure

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

- Costs of raising funds comprises fundraising costs incurred in seeking donations, grants and legacies, costs of fundraising activities including the costs of commercial trading, shop trading and the lottery and their associated support costs.
- Expenditure on charitable activities includes the cost of providing care and associated support.

1.9 Allocation of support costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include head office costs, finance, personnel, payroll and governance costs and also include project management carried out centrally. Governance costs are those incurred in connection with administration of the charity and compliance with constitutional and statutory requirements.

1.10 Operating leases

The charity classifies the lease of shop premises and vehicles as operating leases. Rentals under operating leases are charged on a straight line basis over the term of the lease.

HOPE HOUSE CHILDREN'S HOSPICES

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

1. ACCOUNTING POLICIES (continued)

1.11 Tangible fixed assets

Individual fixed assets costing £1,000 or more were capitalised at cost in the year including any incidental expenses of acquisition.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold buildings	40 years straight line
Freehold land	nil
Other property	Depreciated to a residual value
Plant and machinery	4 – 10 years straight line
Motor vehicles	5 – 10 years straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

1.12 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Transaction costs are expensed as incurred. Changes in fair value are recognised in the statement of financial activities throughout the year.

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

1.13 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

1.14 Debtors

Debtors are recognised at the settlement amount due after any trade discounts offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.15 Cash at bank and in hand

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

1.16 Creditors and provisions

Creditors and provisions are recognised where 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. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

1.17 Pensions

The charity operates a defined contribution pension scheme and the pension charge represents the amounts payable by the charity to the fund in respect of the year.

HOPE HOUSE CHILDREN'S HOSPICES

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

1. ACCOUNTING POLICIES (continued)

1.18 Financial Instruments

The charitable company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charitable company's balance sheet when the charitable company becomes party to the contractual provisions of the instrument. Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method. Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charitable company's contractual obligations expire or are discharged or cancelled.

1.19 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgement, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Determining residual values and useful economic lives of tangible fixed assets

The group depreciates tangible assets over their estimated useful lives based on historic performance. The actual lives can vary.

Recognition of legacy income

The group recognises receipt of a legacy when the receipt is probable, the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. This can often be several months before the actual receipt which can vary.

HOPE HOUSE CHILDREN'S HOSPICES

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

2. LEGAL STATUS

The charity is a company limited by guarantee. The members of the company are the trustees named on page 1. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

3. INCOME FROM DONATIONS AND LEGACIES

	2021 Unrestricted funds £	2021 Restricted funds £	2021 Total funds £	2020 Total funds £
Donations	2,108,566	311,996	2,420,562	1,993,563
Legacies	1,594,338	-	1,594,338	2,146,209
Tax recovered – gift aid	214,647	-	214,647	142,549
Other income	41,602	-	41,602	15,360
	<u>3,959,153</u>	<u>311,996</u>	<u>4,271,149</u>	<u>4,297,681</u>

INCOME FROM DONATIONS AND LEGACIES – 2020 COMPARATIVES

	2020 Unrestricted funds £	2020 Restricted funds £	2020 Total funds £
Donations	1,760,082	233,481	1,993,563
Legacies	2,146,209	-	2,146,209
Tax recovered – Gift Aid	142,549	-	142,549
Other income	15,360	-	15,360
	<u>4,064,200</u>	<u>233,481</u>	<u>4,297,681</u>

Incoming resources from non-exchange transactions

Donated goods and facilities for which there was no income recorded were received to a value of £49,894 (2020: £27,205). No conditions were attached to these donations.

In addition to paid staff, the charity was supported by 445 (2020: 588) active volunteers during the year. As a result, in 2021 volunteers provided 50,185 hours (2020: 41,069 hours) of volunteering worth equivalent of £538,859 (2020: £420,209) in salary costs.

HOPE HOUSE CHILDREN'S HOSPICES

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

4. INCOME FROM TRADING ACTIVITIES

	2021	2021	2021	2020
	Unrestricted	Restricted	Total	Total
	funds	funds	funds	funds
	£	£	£	£
Hope House (Trading) Limited	66,760	-	66,760	60,934
Hope House (Lottery) Limited	1,765,348	-	1,765,348	1,862,215
Hope House Children's Hospices	1,833,934	-	1,833,934	1,144,155
	<u>3,666,042</u>	<u>-</u>	<u>3,666,042</u>	<u>3,067,304</u>

The 2021 total income from trading activities was unrestricted. The trade of Hope House (Trading) Limited is derived from the purchase and sale of merchandise (new goods). Hope House (Lottery) Limited operates the lottery scheme and raffle. Trading activities in Hope House Children's Hospices represents the sale of donated goods in the charity shops.

5. INCOME FROM CHARITABLE ACTIVITIES

	2021	2021	2021	2020
	Unrestricted	Restricted	Total	Total
	funds	funds	funds	funds
	£	£	£	£
Income from statutory bodies	<u>-</u>	<u>1,047,542</u>	<u>1,047,542</u>	<u>1,017,422</u>

Analysed as:

	2021	2021	2021	2020
	Unrestricted	Restricted	Total	Total
	funds	funds	funds	funds
	£	£	£	£
Welsh LHB grants	-	243,328	243,328	269,569
NHS England grant	-	353,352	353,352	343,061
English CCG grants	-	273,708	273,708	341,645
Welsh Health Authority - Pensions	-	9,747	9,747	35,503
End of life funding	-	-	-	27,644
NHS Wales - Prevalence study	-	48,750	48,750	-
NHS Wales - Bonus Payment	-	39,150	39,150	-
Kickstart	-	76,001	76,001	-
Other	-	3,506	3,506	-
	<u>-</u>	<u>1,047,542</u>	<u>1,047,542</u>	<u>1,017,422</u>

All income from charitable activities in 2020 was restricted.

HOPE HOUSE CHILDREN'S HOSPICES

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

6. INVESTMENT INCOME

	2021 Unrestricted funds £	2021 Restricted funds £	2021 Total funds £	2020 Total funds £
Investment income	106,739	-	106,739	91,244

Investment income has arisen on the dividends and interest earned on the charity and group's listed investment portfolio. All investment income in 2020 was unrestricted.

7. OTHER INCOME

	2021 Unrestricted funds £	2021 Restricted funds £	2021 Total funds £	2020 Total funds £
Coronavirus job retention scheme	180,882	-	180,882	616,804
Retail support scheme	147,836	-	147,836	369,334
Hospice support income		815,714	815,714	780,711
	328,718	815,714	1,144,432	1,766,849

Hospice support income reflects the NHS England funding to allow the hospice to make available bed capacity and community support to provide support to people with complex needs in the context of COVID-19. NHS Wales also provided funding to maintain core service provision.

HOPE HOUSE CHILDREN'S HOSPICES

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

8. EXPENDITURE ON RAISING FUNDS WITHIN THE CHARITY

	2021 Total funds £	2020 Total funds £
Promotional materials	29,684	37,903
Designing and brand promotion	17,685	6,750
Printing, postage, stationery and IT	31,108	25,355
Event expenses	36,325	27,977
Insurance	3,804	3,415
Telephone	10,027	7,951
Car allowance and lease charges	51,960	56,245
Travelling expenses	3,901	4,513
Training and conferences	2,962	3,563
General expenses	18,756	16,878
Payment processing fees	19,049	15,064
Campaign design	16,004	-
Fundraising staff costs	734,458	651,299
Investment management costs	29,625	27,748
	<u>1,005,708</u>	<u>884,661</u>
Attributable to:		
Unrestricted funds	1,005,708	884,661
Restricted funds	-	-
	<u>1,005,708</u>	<u>884,661</u>

9. EXPENDITURE ON TRADING ACTIVITIES

	2021 Unrestricted funds £	2021 Restricted funds £	2021 Total funds £	2020 Total funds £
Hope House (Trading) Limited	24,463	-	24,463	19,222
Hope House (Lottery) Limited	448,076	-	448,076	437,726
Hope House Children's Hospices	1,668,290	-	1,668,290	1,595,535
	<u>2,140,829</u>	<u>-</u>	<u>2,140,829</u>	<u>2,052,483</u>

All expenditure on trading activities in 2020 was unrestricted.

The trade of Hope House (Trading) Limited is derived from the purchase and sale of merchandise (new goods) and the operation of the Retail Gift Aid scheme. Hope House (Lottery) Limited operates the lottery scheme. Trading activities in Hope House Children's Hospices represents the sale of donated goods in the charity shops.

HOPE HOUSE CHILDREN'S HOSPICES

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2021

10. EXPENDITURE ON CHARITABLE ACTIVITIES

		2021	2020
	Notes	Total funds £	Total funds £
Repairs and maintenance		96,370	81,410
Heat and light		73,620	64,501
Water charges		8,638	7,287
Printing, postage, stationery and IT		23,346	22,937
Housekeeping		54,651	21,631
Insurance		22,500	21,690
Telephone		23,008	19,007
Food and catering		39,994	32,329
Motor expenses		16,708	19,811
Vehicle lease charges		4,715	12,106
Car allowance		17,832	17,832
Travelling expenses		11,248	22,817
Training and conferences		43,185	23,718
Recruitment		6,257	882
General expenses		82,161	76,034
Nursing consumables		35,038	38,638
Medical cover		66,410	66,410
Family bereavement fund		-	750
Care database subscription		68,770	-
Wages and salaries		4,091,306	3,888,374
Agency		9,572	7,360
Depreciation		299,743	281,832
Rent		25,000	22,917
		<u>5,120,072</u>	<u>4,750,273</u>
Share of support costs	11	1,028,447	721,751
Share of governance costs	11	31,998	11,328
		<u>6,180,517</u>	<u>5,483,352</u>
Attributable to:			
Unrestricted funds		4,148,002	4,322,482
Restricted funds		<u>2,032,515</u>	<u>1,160,870</u>
		<u>6,180,517</u>	<u>5,483,352</u>

All expenditure in 2020 and 2021 was attributable to hospice activities undertaken directly.

HOPE HOUSE CHILDREN'S HOSPICES

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2021

11. SUPPORT AND GOVERNANCE COSTS

	Notes	Total 2021 £	Total 2020 £
Support Costs			
Printing, postage, stationery and IT		23,197	19,120
Telephone		8,490	6,315
Water charges		627	574
Light and heat		2,710	2,240
Repairs and maintenance		10,170	10,245
General expenses		31,175	18,392
Vehicle running expenses		-	612
Travelling expenses		6,716	4,734
Car allowance		22,860	15,945
Training and conferences		5,710	1,335
Wages and salaries		774,481	560,121
Recruitment		7,391	8,343
Apprentice levy		13,274	10,905
Staff benefit scheme		17,057	18,795
Bank charges		17,160	16,475
Insurance		5,064	3,740
Rent and service charges		15,250	15,250
Irrecoverable VAT		7,992	8,610
Research project		59,123	-
		<u>1,028,447</u>	<u>721,751</u>
Governance Costs			
Audit fees		4,366	5,050
Trustees governance costs		2,296	3,179
Professional fees		25,336	3,099
		<u>31,998</u>	<u>11,328</u>
		<u>1,060,445</u>	<u>733,079</u>
Analysed between:			
Charitable activities	10	<u>1,060,445</u>	<u>733,079</u>

12. NET INCOME

	2021 £	2020 £
This is stated after charging:		
Depreciation of owned tangible fixed assets	325,492	318,196
Auditors remuneration – audit of group	4,500	6,250
Auditors remuneration – non-audit services	2,500	-

HOPE HOUSE CHILDREN'S HOSPICES

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2021

13. TRUSTEE'S REMUNERATION AND BENEFITS

During the year, no trustees received any remuneration (2020: £Nil). During the year, no trustees received any benefits in kind (2020: £Nil). During the year, one trustee received reimbursement of expenses totalling £54 (2020: £nil). Expenses totalling £661 (2020: £180) for travel were waived by trustees during the year. The charity incurred costs of £2,242 (2020: £3,179) in relation to the trustees that are compulsory for them to conduct their roles. These expenses include: indemnity insurance, CRB checks and safeguarding training.

14. STAFF BENEFITS

	Group		Charity	
	2021	2020	2021	2020
	£	£	£	£
Wages and salaries	5,700,802	5,218,792	5,659,875	5,144,235
Social security costs	494,764	441,625	491,787	435,419
Other pension costs	605,476	588,421	601,582	581,336
	<u>6,801,042</u>	<u>6,248,838</u>	<u>6,753,244</u>	<u>6,160,990</u>

The average monthly number of employees during the year was as follows:

	Group		Charity	
	2021	2020	2021	2020
	No.	No.	No.	No.
Hospice services	143	145	143	145
Fundraising and publicity	23	27	23	27
Support	19	16	19	16
Retail and lottery	64	60	60	57
	<u>249</u>	<u>248</u>	<u>245</u>	<u>245</u>

The number of higher paid employees (excluding employer pension costs) was as follows:

	Group		Charity	
	2021	2020	2021	2020
	No.	No.	No.	No.
In the band:				
£60,001 - £70,000	1	1	1	1
£70,001 - £80,000	1	2	1	2
£80,001 - £90,000	1	-	1	-
£100,001 - £110,000	1	1	1	1
	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>

The key management personnel of the group, comprise the trustees, the chief executive officer, director of fundraising, director of care, the commercial director plus the directors of the wholly owned subsidiaries. The total employee benefits of the key management personnel were £379,702 (2020: £357,666).

HOPE HOUSE CHILDREN'S HOSPICES**(A company limited by guarantee)****NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2021****15. 2020 COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES**

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
INCOME			
Donations and legacies	4,064,200	233,481	4,297,681
Income from trading activities	3,067,304	-	3,067,304
Income from charitable activities	-	1,017,422	1,017,422
Investment income	91,244	-	91,244
Other income	986,138	780,711	1,766,849
TOTAL INCOME	8,208,886	2,031,614	10,240,500
EXPENDITURE			
Expenditure on raising funds:			
Raising funds within the Charity	884,661	-	884,661
Expenditure on trading activities	2,052,483	-	2,052,483
Expenditure on charitable activities	3,541,771	1,941,581	5,483,352
TOTAL EXPENDITURE	6,478,915	1,941,581	8,420,496
NET SURPLUS FOR THE YEAR	1,729,971	90,033	1,820,004
Gains on revaluation of investments	116,244	-	116,244
Gross transfer between funds	155,781	(155,781)	-
NET MOVEMENT IN FUNDS FOR THE YEAR	2,001,996	(65,748)	1,936,248
Total funds at 1 January	12,038,640	138,789	12,177,429
TOTAL FUNDS AT 31 DECEMBER	14,040,636	73,041	14,113,677

HOPE HOUSE CHILDREN'S HOSPICES**(A company limited by guarantee)****NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2021****16. TANGIBLE FIXED ASSETS****Group and Charity**

	Freehold Property £	Other Property £	Plant and Equipment £	Motor Vehicles £	Totals £
COST					
At 1 January 2021	6,681,905	385,918	3,590,661	205,953	10,864,437
Additions	-	-	260,566	-	260,566
Disposals	-	-	(2,429,262)	(32,000)	(2,461,262)
At 31 December 2021	<u>6,681,905</u>	<u>385,918</u>	<u>1,421,956</u>	<u>173,953</u>	<u>8,663,741</u>
DEPRECIATION					
At 1 January 2021	2,618,877	-	3,089,380	127,659	5,835,916
Charge for year	151,845	-	160,648	13,000	325,493
Eliminated on disposal	-	-	(2,429,262)	(32,000)	(2,461,262)
At 31 December 2021	<u>2,770,722</u>	<u>-</u>	<u>820,766</u>	<u>108,659</u>	<u>3,700,147</u>
NET BOOK VALUE					
At 31 December 2021	<u>3,911,183</u>	<u>385,918</u>	<u>601,199</u>	<u>65,294</u>	<u>4,963,594</u>
At 31 December 2020	<u>4,063,028</u>	<u>385,918</u>	<u>501,281</u>	<u>78,294</u>	<u>5,028,521</u>

HOPE HOUSE CHILDREN'S HOSPICES

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2021

17. TANGIBLE FIXED ASSETS (CONTINUED)

Included in freehold property is freehold land at valuation of £608,106 (2020: £608,106), cost £608,106 (2020: £608,106) which is not depreciated. Other property relates to the Bangor shop and a property owned in Criccieth.

During the year, the charity purchased tangible fixed assets totalling £48,598 (2020: £155,781) funded by restricted donations and grants. As the performance conditions on these assets purchases have been met, the funding has been transferred to the general fund.

At 31 December 2021 the charity had received £93,460 (2020: £25,735) in restricted funding for the acquisition of tangible fixed assets which had not been purchased at the year end. This income has been carried forward in the restricted fund.

At 31 December 2021 the charity had spent £1,450 (2020: £4,119) on land and buildings funded by restricted income. As the project had not been completed at 31 December 2021, this has been carried forward in the restricted fund.

18. FIXED ASSET INVESTMENTS

	Listed securities £	Cash and settlements pending £	Total £
Group – market value			
At 1 January 2021	4,686,903	188,672	4,875,575
Additions	2,087,707	-	2,087,707
Disposals	(609,721)	-	(609,721)
Revaluations	383,725	-	383,725
Movement on cash account	(9,197)	108,208	99,011
At 31 December 2021	<u>6,539,417</u>	<u>296,880</u>	<u>6,836,297</u>

	Listed securities £	Cash and settlements pending £	Shares in subsidiaries £	Total £
Charity – market value				
At 1 January 2021	4,686,903	188,672	4	4,875,579
Additions	2,087,707	-	-	2,087,707
Disposals	(609,721)	-	-	(609,721)
Revaluations	383,725	-	-	383,725
Movement on cash account	(9,197)	108,208	-	99,011
At 31 December 2021	<u>6,539,417</u>	<u>296,880</u>	<u>4</u>	<u>6,836,301</u>

If the listed investments were recorded at historic cost they would be stated at £5,667,184 (2020: £4,282,852) in the group and charity.

Group and charity investments at market value comprise:

	UK £	Overseas £	2021 £	2020 £
Listed investments	3,871,715	2,667,702	6,539,417	4,686,903
Investment cash	296,880	-	296,880	188,672
At 31 December 2021	<u>4,168,595</u>	<u>2,667,702</u>	<u>6,836,297</u>	<u>4,875,575</u>

HOPE HOUSE CHILDREN'S HOSPICES

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2021

18. FIXED ASSET INVESTMENTS (CONTINUED)

Charity investment in subsidiaries comprise:

Subsidiary	Company No.	Percentage shareholding	Class of shares	No of shares	Total value £
Hope House (Trading) Limited	02691088	100	Ordinary £1	2	2
Hope House (Lottery) Limited	05066936	100	Ordinary £1	2	2
					<u>4</u>

The wholly owned trading subsidiaries, Hope House (Trading) Limited and Hope House (Lottery) Limited are incorporated in the United Kingdom. They both have the registered office of Nant Lane, Morda, Oswestry, Shropshire, SY10 9BX. Hope House (Trading) Limited and Hope House (Lottery) Limited distribute all of their profits to the Charity under Deed of Covenant.

The assets and liabilities of the subsidiaries were:

	Hope House (Trading) Limited		Hope House (Lottery) Limited	
	2021	2020	2021	2020
	£	£	£	£
Current assets	2,373	3,281	826,581	1,586,828
Current liabilities	(804)	(1,712)	(821,714)	(1,581,961)
Aggregate share capital and reserves	<u>1,569</u>	<u>1,569</u>	<u>4,867</u>	<u>4,867</u>
Net income from trading activities	<u>45,635</u>	<u>44,758</u>	<u>1,317,272</u>	<u>1,424,489</u>

19. STOCKS

	Group		Charity	
	2021	2020	2021	2020
	£	£	£	£
Good for resale	<u>9,498</u>	<u>12,760</u>	<u>7,731</u>	<u>10,902</u>

20. DEBTORS

	Group		Charity	
	2021	2020	2021	2020
	£	£	£	£
Amounts owed by group undertakings	-	-	651,492	1,463,737
Other debtors	1,784,847	1,848,729	1,784,847	1,848,733
Prepayments	<u>171,510</u>	<u>133,151</u>	<u>171,510</u>	<u>133,146</u>
	<u>1,956,357</u>	<u>1,981,880</u>	<u>2,607,849</u>	<u>3,445,616</u>

HOPE HOUSE CHILDREN'S HOSPICES

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2021

21. CREDITORS: Amounts falling due within one year

	Group		Charity	
	2021	2020	2021	2020
	£	£	£	£
Trade creditors	108,734	56,323	93,567	50,385
Other taxation and social security	189,510	166,646	189,510	166,646
Accruals and deferred income	<u>319,843</u>	<u>273,064</u>	<u>163,984</u>	<u>159,065</u>
	<u>618,087</u>	<u>496,033</u>	<u>447,061</u>	<u>376,096</u>

Included within creditors is deferred income totalling £201,395 (2020: £197,337) in the group and £88,986 (2020: £170,969) in the charity. Deferred income in Hope House Children's Hospices is recognised in respect of grants where the performance agreement runs across multiple periods. Deferred income is recognised in Hope House (Lottery) Limited where players place money on account in advance of being drawn. The deferred income recognised in 2020 has been subsequently recognised as income in 2021.

HOPE HOUSE CHILDREN'S HOSPICES

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2021

22. STATEMENT OF FUNDS

Group	Funds at 1 Jan 2021 £	Income £	Expenditure £	Transfers in/out £	Gains / (Losses) £	Funds at 31 Dec 2021 £
DESIGNATED FUNDS						
Workforce management	100,000	-	-	-	-	100,000
Service development	200,000	-	-	(100,000)	-	100,000
Investment in fundraising	187,000	-	-	13,000	-	200,000
Business continuity	4,375,000	-	-	335,000	-	4,710,000
	<u>4,862,000</u>	<u>-</u>	<u>-</u>	<u>248,000</u>	<u>-</u>	<u>5,110,000</u>

GENERAL FUNDS

General funds – all funds	9,178,636	8,060,652	(7,294,539)	(199,042)	383,725	10,129,432
Total unrestricted funds	<u>14,040,636</u>	<u>8,060,652</u>	<u>(7,294,539)</u>	<u>48,958</u>	<u>383,725</u>	<u>15,239,432</u>

RESTRICTED FUNDS

Restricted funds – all funds	73,041	2,175,252	(2,032,515)	(48,958)	-	166,820
Total funds	<u>14,113,677</u>	<u>10,235,904</u>	<u>(9,327,054)</u>	<u>-</u>	<u>383,725</u>	<u>15,406,252</u>

Charity	Funds at 1 Jan 2021 £	Income £	Expenditure £	Transfers in/out £	Gains / (Losses) £	Funds at 31 Dec 2021 £
DESIGNATED FUNDS						
Workforce management	100,000	-	-	-	-	100,000
Service development	200,000	-	-	(100,000)	-	100,000
Investment in fundraising	187,000	-	-	13,000	-	200,000
Business continuity	4,375,000	-	-	335,000	-	4,710,000
	<u>4,862,000</u>	<u>-</u>	<u>-</u>	<u>248,000</u>	<u>-</u>	<u>5,110,000</u>
GENERAL FUNDS						
General funds – all funds	9,172,205	7,591,451	(6,825,338)	(199,042)	383,725	10,123,001
Total unrestricted funds	<u>14,034,205</u>	<u>7,591,451</u>	<u>(6,825,338)</u>	<u>48,958</u>	<u>383,725</u>	<u>15,233,001</u>
RESTRICTED FUNDS						
Restricted funds – all funds	73,041	2,175,252	(2,032,515)	(48,958)	-	166,820
Total funds	<u>14,107,246</u>	<u>9,766,703</u>	<u>(8,857,853)</u>	<u>-</u>	<u>383,725</u>	<u>15,399,821</u>

HOPE HOUSE CHILDREN'S HOSPICES

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2021

22. STATEMENT OF FUNDS (CONTINUED)

2020 COMPARITIVES

Group	Funds at 1 Jan 2020 £	Income £	Expenditure £	Transfers in/out £	Gains / (Losses) £	Funds at 31 Dec 2020 £
DESIGNATED FUNDS						
Workforce management	100,000	-	-	-	-	100,000
Service development	481,000	-	-	(281,000)	-	200,000
Investment in fundraising	-	-	-	187,000	-	187,000
Business continuity	4,100,000	-	-	275,000	-	4,375,000
	<u>4,681,000</u>	<u>-</u>	<u>-</u>	<u>181,000</u>	<u>-</u>	<u>4,862,000</u>
GENERAL FUNDS						
General funds – all funds	7,357,640	8,989,597	(7,259,626)	(25,219)	116,244	9,178,636
Total unrestricted funds	<u>12,038,640</u>	<u>8,989,597</u>	<u>(7,259,626)</u>	<u>155,781</u>	<u>116,244</u>	<u>14,040,636</u>
RESTRICTED FUNDS						
Restricted funds – all funds	138,789	1,250,903	(1,160,870)	(155,781)	-	73,041
Total funds	<u>12,177,429</u>	<u>10,240,500</u>	<u>(8,420,496)</u>	<u>-</u>	<u>116,244</u>	<u>14,113,677</u>
Charity	Funds at 1 Jan 2020 £	Income £	Expenditure £	Transfers in/out £	Gains / (Losses) £	Funds at 31 Dec 2020 £
DESIGNATED FUNDS						
Workforce management	100,000	-	-	-	-	100,000
Service development	481,000	-	-	(281,000)	-	200,000
Investment in fundraising	-	-	-	187,000	-	187,000
Business continuity	4,100,000	-	-	275,000	-	4,375,000
	<u>4,681,000</u>	<u>-</u>	<u>-</u>	<u>181,000</u>	<u>-</u>	<u>4,862,000</u>
GENERAL FUNDS						
General funds – all funds	7,351,209	8,535,695	(6,805,724)	(25,219)	116,244	9,172,205
Total unrestricted funds	<u>12,032,209</u>	<u>8,535,695</u>	<u>(6,805,724)</u>	<u>155,781</u>	<u>116,244</u>	<u>14,034,205</u>
RESTRICTED FUNDS						
Restricted funds – all funds	138,789	1,250,903	(1,160,870)	(155,781)	-	73,041
Total funds	<u>12,170,998</u>	<u>9,786,598</u>	<u>(7,966,594)</u>	<u>-</u>	<u>116,244</u>	<u>14,107,246</u>

HOPE HOUSE CHILDREN'S HOSPICES

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2021

22. STATEMENT OF FUNDS (continued)

DESIGNATED FUNDS

Workforce Management Fund

The trustees are conscious that the charity must operate with an appropriately skilled workforce and are very aware of their responsibilities to its employees. Funds are therefore held and designated in a Workforce Management Fund to accommodate the cost of ensuring sufficient skilled capacity across the organisation.

Changes in service delivery (including increased digital delivery and use of technology) may result in some staff not having the necessary skills to work effectively. If unable to retrain and gain skills at the required level of competence, then this fund allows the organisation to discharge its obligation to those staff not able to maintain high standards of delivery due to circumstances beyond their control.

Payment from this fund can only be considered in cases where the benefit to both the employee and the organisation can be demonstrated.

Service Development Fund

Fundraising

There is compelling evidence to support the case for investment in fundraising. Returns are significantly better than bank investments for slightly higher risk and we can flex investment in fundraising, increasing it when the returns look good and decreasing when not.

To achieve the desired levels of growth, it is proposed that the investment in fundraising is increased to 24% of total voluntary income by 2024. Reserves are designated to support this investment if required.

Care

In December 2019, the Board approved a new Care Strategy. Investment to enhance and redesign services to drive delivery was planned in 2021 but this was deferred to focus on managing through the Coronavirus Pandemic. This investment is again planned for 2022 with a reserve fund designated if required.

Business Continuity Fund

To manage income shortfalls

Analysis has identified and assessed the risk to the income received by the charity from various sources. Reserves are held to ensure service continuity if this income falls short of the forecast, allowing time to either restore this income or reduce costs accordingly.

To adjust costs

A reserve has been designated for costs associated with restructuring the charity to reduce costs in the event of income not meeting forecast. This fund would be used primarily to meet the cost of reducing the workforce.

Catastrophic event

Through a risk management process, we seek to rationalise, quantify and avoid catastrophic events occurring and insure against those risks that cannot be removed. However, there is always the potential of an event occurring. Clearly it is impossible to quantify a catastrophic event, but it is prudent to designate a reserve fund to mitigate the impact or to aid recovery should such an event occur. Therefore, designated funds are held for catastrophic events.

HOPE HOUSE CHILDREN'S HOSPICES
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2021

23. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2021	Restricted funds 2021	Total funds 2021
Tangible fixed assets	4,962,144	1,450	4,963,594
Fixed asset investments	6,836,297	-	6,836,297
Current assets	4,059,078	165,370	4,224,448
Creditors due within one year	(618,088)	-	(618,088)
	<u>15,239,432</u>	<u>166,820</u>	<u>15,406,252</u>

	Unrestricted funds 2020	Restricted funds 2020	Total funds 2020
Tangible fixed assets	5,024,402	4,119	5,028,521
Fixed asset investments	4,875,575	-	4,875,575
Current assets	4,636,692	68,922	4,705,614
Creditors due within one year	(496,033)	-	(496,033)
	<u>14,040,636</u>	<u>73,041</u>	<u>14,113,677</u>

24. PENSION COMMITMENTS

The charity makes contributions to certain pension schemes for its employees. The assets of these schemes are held separately from those of the charity in independently administered funds. The pension cost charge represents contributions payable by the group to the fund amounted to £605,476 (2020: £588,421). Charges payable by the charity amounted to £601,582 (2020: £581,336).

HOPE HOUSE CHILDREN'S HOSPICES

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2021

25. OPERATING LEASE COMMITMENTS

At 31 December 2021 the total commitments under non-cancellable operating leases as follows:

	Land and Buildings		Other	
	2021	2020	2021	2020
	£	£	£	£
Group and charity				
Expiry date:				
Within 1 year	371,345	393,298	19,508	13,614
Between 1 and 2 years	292,210	291,000	19,508	11,702
Between 2 and 5 years	368,333	537,750	13,947	13,112
After more than 5 years	5,438	16,521	-	-
	<u>1,037,326</u>	<u>1,238,569</u>	<u>52,963</u>	<u>38,428</u>

During the year operating lease charges were recognised as rent expenses in the following; the cost of operating the charity shops £345,863 (2020: £355,719); hospice activities undertaken directly £25,000 (2020: £22,917); and support costs £15,250 (2020: £15,250).

During the year operating lease charges were recognised as vehicle lease expenses in the following; raising charitable donations £nil (2020: £591); cost of operating charity shops £17,166 (2020: £20,990); hospice activities undertaken directly £4,715 (2020: £12,106); and support costs £nil (2020: £nil).

26. RELATED PARTY TRANSACTIONS

During the year, group staff made donations to the charity and played the lottery run by Hope House (Lottery) Limited. All these transactions were conducted under normal commercial terms.

A policy exists to prohibit the directors of Hope House (Lottery) Limited, trustees of Hope House Children's Hospices, and senior managers and employees directly involved in the running of the lottery, from taking part in the lottery.

Trustees and their related companies made donations to the charity totalling £77,059 (2020: £41,185).

Hope House (Trading) Limited and Hope House (Lottery) Limited are 100% owned subsidiaries of Hope House Children's Hospices.

Included in other debtors with the charity are the intercompany balances of £804 (2020: £1,712) owing from Hope House (Trading) Limited and £650,688 (2020: £1,462,026) owed to Hope House (Lottery) Limited. All the profits of the subsidiaries for the period have been distributed by Gift Aid to the charity. The profits for the year totalled £45,635 (2020: £44,758) for Hope House (Trading) Limited and £1,317,272 (2020: £1,424,489) for Hope House (Lottery) Limited.

Hope House (Trading) Limited charged £3,338 (2020: £3,046) to Hope House Children's Hospices for operating the gift aid scheme on the sale of new goods.

27. ULTIMATE CONTROLLING PARTY

The charity is controlled by the trustees.

Accounts

HOPE HOUSE CHILDREN'S HOSPICES

TRUSTEE'S REPORT AND CONSOLIDATED
FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020



HOPE HOUSE CHILDREN'S HOSPICES
(A company limited by guarantee)

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for the Year Ended 31 December 2020

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HOPE HOUSE CHILDREN'S HOSPICES

(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS FOR THE YEAR ENDED 31 DECEMBER 2020

Trustees

Appointed Officers of the Board

Stephen R Henly	Chair	Company Managing Director
Barbara J Evans	Vice Chair	Retired Local Government Officer
Philip R Inch	Treasurer	Retired Financial Director

Members of the Board

Graeme Harkness	Retired Head Teacher (appointed 1 July 2020)
Christopher C Hudson	Retired HR Professional
Dr Supriya Kapas	Quality Assurance Pharmacist (appointed 12 April 2021)
Andrew Morris	Company Director (appointed 1 July 2020)
Gary Morton	Group Chief Executive (appointed 1 July 2020)
Dr David Sharp	General Practitioner
Kelly Stant	Solicitor (appointed 1 July 2020)
Dr Jean B Watt	Retired Consultant Paediatrician
Janette M Welch	Retired Company Director (resigned 16 September 2020)
Meinir A Wigley	Communications Manager

Independent Directors of Hope House (Trading) Limited

W Andrew Fergus
Andrew T Goldsmith

Independent Directors of Hope House (Lottery) Limited

Stephen R Henly	
Philip R Inch	
Gary Morton	Appointed 16 September 2020
Meinir A Wigley	Appointed 16 September 2020
Janette M Welch	Resigned 16 September 2020

Company registered number

2588103

Charity registered number

1003859

Registered office

Nant Lane, Morda, Oswestry, Shropshire, SY10 9BX

Company secretary

Andrew T Goldsmith

Chief executive officer

Andrew T Goldsmith

Senior management team

Simi Epstein	Director of Fundraising and Marketing
Karen Wright	Director of Care
Andrew Fergus	Commercial Director

HOPE HOUSE CHILDREN'S HOSPICES
(A company limited by guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 DECEMBER 2020**

Administrative details (continued)

Independent auditors

McLintocks (NW) Limited, 2 Hilliards Court, Chester Business Park, Chester, CH4 9PX

Bankers

HSBC Bank Plc, The Cross, Oswestry, Shropshire, SY11 2SR

Solicitors

Howell Jones and Company, 36 Station Road, Llanrwst, Conwy, LL26 0DA

Investment manager

Investec Wealth & Investment Limited, Colmore Plaza, Colmore Circus, Birmingham, B4 6AT

Investment advisor

Redbourne Wealth Management Limited, Belmont House, Shrewsbury Business Park, Shrewsbury, Shropshire, SY2 6LG

HOPE HOUSE CHILDREN'S HOSPICES
(A company limited by guarantee)

LETTER FROM THE CHAIR
FOR THE YEAR ENDED 31 DECEMBER 2020

2020 has undoubtedly been a difficult year for everyone in all walks of life. As the pandemic took hold we reacted rapidly, many staff were furloughed as some services and activities were suspended. Our care teams had to adapt, innovate and learn new ways of working to ensure COVID safe and effective practices for themselves, the children and families we support. At the height of the response we continued to provide end of life care, care after death and crisis care. Towards the end of the year we were able to re-open planned respite in the hospices.

To meet the needs of families shielding, we introduced a virtual hospice support service and transformed our counselling service into a virtual service to great effect. To support the NHS, we adapted our priorities of Care to enable rapid discharge of children and to free up NHS capacity. None of this would have been possible were it not for the dedication and commitment shown by the whole Care Team who have gone more than the extra mile this year to continue to provide outstanding levels of care and support.

Despite the pandemic, significant progress, investment and several key appointments were made during the year to support the implementation and roll-out of our Care and Fundraising strategies agreed by the Board in December 2019.

Many fundraising events we had planned for the year were cancelled. Regular highlights in the fundraising calendar are unlikely to return in 2021. Despite this our fundraising, lottery and trusts team reacted rapidly and attained a remarkable 92% of the target we had set prior to the onset of the pandemic. This is an outstanding achievement and is testimony to our exceptional supporters and to the resilience and determination of a remarkable fundraising team that have adapted to think and act in new ways.

During the year we received circa £1.76m in Job Retention Scheme grants, business support grants and COVID government funding for hospices which brought welcome stability.

Our retail arm had an extremely difficult year losing nearly half of their expected trading days. When allowed to open, footfall recovered and results were encouraging. Morale amongst the team has remained high and during periods of closure, members of the team volunteered their time to support the hospices in other ways.

Several of the adaptations we have had to make have enhanced the services we are able to provide and allowed us to reach more families. These changes will not be lost as we return and focus on the future. Digital transformation to create an agile, data driven service, which was underway before the crisis began, has accelerated across the organisation and is a key priority for 2021.

Our ambition to raise an additional £2.5 million each year to reach every child, mum, dad, brother and sister who need us is unchanged. We face an enormous challenge ahead; our ability to fundraise will be constrained for some time, whilst our priority to deliver the highest quality of care and have the greatest impact will remain at the heart of all we do.

I am incredibly proud of all that we have achieved in the face of the most challenging year we have yet faced. On behalf of the Board, I would like to thank our staff and volunteers for their hard work, dedication, agility and commitment, and our supporters, partners and donors for their extraordinary generosity that makes it all possible.



Stephen Henly
Chair of Trustees
23rd June 2021

HOPE HOUSE CHILDREN'S HOSPICES

(A company limited by guarantee)

TRUSTEES' REPORT (INCLUDING DIRECTOR'S REPORT) FOR THE YEAR ENDED 31 DECEMBER 2020

The trustees (who are also the directors of the charity for the purposes of the Companies Act) present their report together with the audited financial statements of Hope House Children's Hospices (the charity and the group) for the year ended 31 December 2020.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the Charity's governing document, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)".

Structure, governance and management

(a) Constitution

Hope House Children's Hospices is a registered charity number 1003859 and is a company limited by guarantee, incorporated under the Companies Act 1985, number 2588103. The company was established under a Memorandum of Association on 4th March 1991 and is governed under its Articles of Association which were amended, and following Charity Commission approval, adopted in March 2018.

The directors of the charitable company are its trustees for the purpose of charity law and throughout this report are collectively referred to as the trustees. The liability of trustees is limited and in the event of the company being wound up, trustees may be required to contribute an amount not exceeding one pound.

The charitable objective as set out in the Memorandum of Association in 1991 is 'To promote the relief of illness and suffering in such a way as the association shall from time to time think fit.'

(b) Method of appointment or election of trustees

The management of the company is the responsibility of the trustees who are elected from members of the association under the terms of the Articles of Association.

In accordance with the Articles of Association at the Annual General Meeting to be held every year, one third of the trustees for the time being, or if the number is not a multiple of three then the nearest to one third, shall retire from office. Trustees may offer themselves for re-election. The trustees to retire shall be those who have been longest in office since their last election or appointment.

The Association has considered and determined not to set a maximum number of terms of office that a trustee may serve. On balance as it is felt that the interests of the charity are best served by continuity and stability of the Board, retaining the skills and expertise gained by trustees over their terms in office and limited by the small number of people coming forward to undertake the role. Trustees are subject to an annual review and the Board progressively refreshes the Board with the appointment of new trustees as Board members retire or where additional skills and experience is required. The decision on terms of office is reviewed regularly.

A formal policy sets out selection, recruitment and appointment of trustees to ensure trustees are Fit and Proper Persons to act in that capacity. The power of appointment rests with the Members of Association at an Annual General Meeting.

The trustees have no pecuniary interest in the company and give their services voluntarily. They receive no financial benefits from the charity but may claim expenses.

At the Annual General Meeting on the 16th of September 2019 Janette Welsh, Meinir Wigley and Dr David Sharp retired from the Board of Trustees. Meinir Wigley and Dr David Sharp were re-elected. Andrew Morris, Gary Morton, Graeme Harkness, and Kelly Stant were appointed to the Board of Hope House Children's Hospices.

The 2020 AGM will be held at Hope House on Wednesday 22nd of September 2021.

HOPE HOUSE CHILDREN'S HOSPICES (A company limited by guarantee)

TRUSTEES' REPORT (INCLUDING DIRECTOR'S REPORT) FOR THE YEAR ENDED 31 DECEMBER 2020

(c) Policies adopted for the induction and training of the trustees

All new trustees receive an induction, during which training is undertaken on good governance and the roles and responsibilities of trustees. Trustees also have access to on-line training and in early 2020 a two-year trustee training plan was approved. Despite the restrictions on face to face training imposed by measures to control the Coronavirus pandemic, online learning continued during 2020 with trustees completing training in:

- COVID Response for Employees
- DSE
- General Data Protection Regulation (GDPR)
- Health and Safety for Directors
- Mental Health Legislation
- Safeguarding Children and Adults at Risk
- Social Media Use

They also attended a half day training on Charity Finance and Accounting.

All trustees undertook an annual appraisal with the Chair of Trustees, and this helped to identify areas of concern, interest and development.

d) Organisational structure and decision making

The charity is governed by its Memorandum and Articles of Association which vest the management of the company in the Board of Trustees appointed by the Members of the Association at the Annual General Meeting.

The Board has established a specialist committee structure to provide an efficient mechanism for discharging the Board's corporate governance responsibilities. The committees in place during 2020 were:

- Clinical Governance
- Income and Investments
- Audit and Risk
- HR and Remuneration

In addition, there are subsidiary Boards of Hope House (Trading) Ltd and Hope House (Lottery) Ltd on which the charity is represented.

By June 2020 senior managers were stretched responding to the pandemic and the ability of committees to meet was severely constrained. The Coronavirus Pandemic was having an impact across all areas of the charity's operations and decisions were needing to be taken that fell within the purview of every committee and in some cases more than one committee. In response the Board established a single time limited Emergency Committee to act on behalf of the Board in accordance with agreed terms of reference and delegation. The Emergency Committee met three times between June and August and was stood down in September. During this period, the other committees of the Board did not meet but regular updates were provided by the Senior Management Team to all trustees via video conference and the chairs of committees spoke and corresponded regularly with the Chief Executive and members of the Senior Management Team.

From the onset of the pandemic, Board and Committee meetings were held online through video conferencing platforms. Meetings were held in accordance with Article 24 'Proceedings of Directors', subsection (6) of the Charity's Articles of Association and the general provisions of the Companies Act 2006. In limited cases decisions were made by written resolution in accordance with Article 16 of the Charity's Articles of Association.

HOPE HOUSE CHILDREN'S HOSPICES

(A company limited by guarantee)

TRUSTEES' REPORT (INCLUDING DIRECTOR'S REPORT) FOR THE YEAR ENDED 31 DECEMBER 2020

d) Organisational structure and decision making (continued)

The day to day operation and management of the company is vested in the Chief Executive Officer and Senior Management Team (SMT). In June 2020, the Board agreed a temporary change to the approved Scheme of Delegation to empower the Chief Executive to expediently act in response to the pandemic. These temporary changes lasted until the 30th of September.

(e) Risk management

The trustees have assessed the major risks to which the charity is exposed. A risk register has been established and is reviewed annually. Board reassurance is provided by the Audit and Risk Committee which considers the highest strategic risks annually with continuous monitoring. Systems or procedures have been established to mitigate the risks the charity faces.

In October 2020, the Audit and Risk Committee reviewed the most significant strategic risks facing Hope House Children's Hospices and their potential impact on the charity's ability to achieve its charitable purpose and in December 2020 the Board agreed that the Charity faced the following Critical and High Risks.

Risk	Risk Rating December 2019	Risk Rating December 2020	Direction of travel
Insufficient income	15 Critical	18 Critical	
Significant reduction or loss of statutory sector funding	12 High	12 High	
Supporter dissatisfaction	12 High	12 High	
Shortage of clinical skills	15 Critical	12 High	

Objectives and Activities

(a) Policies and objectives

In December 2020, the Association reviewed its 'Mission' and following consultation, adopted in early 2021 a revised Mission Statement based on the Why, How and What model of organisational strategy.

Why We Are Here

'Why' is how we explain our purpose and the reason we exist and behave as we do.

There is no loss crueller than the death of a child. When your child is diagnosed with an incurable condition your heart breaks and your world falls apart. When your child dies, something dies in you too.

Facing that journey alone is terrifying. You feel so helpless. Without Hope House Children's Hospices, you struggle on, often isolated in your pain and grief. We must help.

This must stop.

No-one should face the death of a child alone.

HOPE HOUSE CHILDREN'S HOSPICES

(A company limited by guarantee)

TRUSTEES' REPORT (INCLUDING DIRECTOR'S REPORT) FOR THE YEAR ENDED 31 DECEMBER 2020

How We Work

The 'How' is our approach to delivering our purpose and the values that underpin what we do.

We:

- Put the needs of the child and their family at the heart of everything we do
- Care for children and support families from diagnosis and continue for as long as we are able to provide the right care and support for them.
- Provide fair and equitable access to our services for everyone - regardless of location, their ethnicity, social or economic circumstances
- Deliver effective services as responsively as we can
- Raise sufficient funds and use them carefully to benefit the children and families we care for
- Value and recognise the contribution of all who help us to improve the quality of life for children and their families - our employees, volunteers, supporters and partners
- Are open and transparent in our business and activities, while protecting the rights of children and families to privacy at all times

(b) Strategies for achieving objectives

What We Do

The 'What' are our key activities and programmes that deliver our purpose.

Hope House Children's Hospices is a centre of excellence for children's palliative care ensuring every family facing the death of a child gets the very best care and support when and where they need it.

We achieve this through the following strategies:

Income strategies				Care strategy				People and resources strategies			
Retail	Fundraising	Individual Giving and Engagement	Communications and Marketing	Complex Care	Respite and Key worker	Family Support	Quality and Assurance	Finance and Business planning	Human Resources and Volunteering	Governance and Information management	Estates and Facilities

(c) Activities for achieving objectives

In 2020 we provided specialist nursing, care and support to life limited children and young adults and those living with a life-threatening condition. Our support extended to the whole family from diagnosis, throughout the lifetime of the child and beyond.

Bereavement support and specialist counselling was provided to any family after the death of their child - whether or not we had previously cared for them. Following the stay at home order at the end of March 2020 this service was primarily delivered by telephone and on-line.

In order to fund the provision of care the charity received funding from statutory sources and raised funds by donations, by the sale of donated goods and by the operation of two wholly owned subsidiary trading companies, one that sold new goods for the benefit of the charity and the other that operated our lottery. During 2020 government regulations required our shops to cease trading for nearly half of the expected trading days and the stay at home or stay local orders that were enacted significantly restricted face to face fundraising including the recruitment of supporters to play the lottery.

HOPE HOUSE CHILDREN'S HOSPICES

(A company limited by guarantee)

TRUSTEES' REPORT (INCLUDING DIRECTOR'S REPORT) FOR THE YEAR ENDED 31 DECEMBER 2020

(c) Activities for achieving objectives (continued)

Volunteers

In addition to paid staff the charity was supported by volunteers who are active in many roles across all areas of the organisation including the Trustees who give their time voluntarily. Many volunteers support fundraising activities and work in our charity shops. Almost 40% of volunteers are age 65 or older and understandably 123 volunteers paused their volunteering in the shops when they were permitted to open due to the risk of contracting Covid 19. A further 44 volunteers retired during the year and recruitment of new volunteers during the pandemic was difficult. With the roll out of the vaccine from late 2020 we hope that volunteers will return to the shops when they reopen in April 2021 and we will be launching a new volunteer recruitment campaign to coincide with reopening.

With our shops closed and large scale face to face fundraising events cancelled, the pandemic had a significant impact on the ability of volunteers to support Hope House Children's Hospices. In early 2020 prior to the pandemic there were 588 volunteers active with Hope House Children's Hospices. At the end of 2020, this number had fallen to just 185. As the shops reopen and fundraising can hopefully restart in early to mid-2021 we hope that many volunteers will re-join us.

Despite the substantial reduction in the number of active volunteers, we remained reliant on volunteers who collectively in 2020 provided over 41,000 hours of volunteering worth equivalent of £420,000 in salary cost alone.

The charity is indebted for the unstinting efforts of its volunteers. The contribution made by our many dedicated volunteers and the considerable hours worked cannot be overstated; helping the charity have a much greater impact than could be achieved otherwise, through the governance of the charity, raising money, providing care and support to children and families, and by acting as ambassadors for the charity within their own communities and beyond.

Supporting employees

In January 2020 Hope House Children's Hospice was subject to an unannounced inspection by the Care Quality Commission. In the inspection report the Inspector concluded "Leaders ran services well using reliable information systems and supported staff to develop their skills. Staff understood the service's vision and values, and how to apply them in their work. Staff felt respected, supported and valued."

Disability Confident Employer

Hope House Children's Hospices is a Level 2 Disability Confident Employer registered with the Department of Work and Pensions. Disability Confident Employers are recognised as going the extra mile to make sure disabled people get a fair chance.

Full details can be found at <https://www.gov.uk/government/collections/disability-confident-campaign>.

Gender pay gap

Every year the charity publishes its annual gender pay gap report. The gender pay gap is a measure of the difference between men's and women's average earnings across an organisation or the labour market. It is expressed as a percentage of men's earnings. The table below shows the gender pay gap for Hope House Children's Hospices based on data from the 5th April each year.

	2018	2019	2020
Mean gender pay gap	-4.98%	+4.85%	+9.39%
Mean hourly rate of pay	-0.64%	+0.72%	+1.35%

The increase in gender pay gap over the three year period is attributed to the reduction by half of male employees in the lower quartile of the organisation and a 15% reduction in male staff across the organisation since 2018. Taken together the findings show that a gender pay gap as defined by the Equality Act does not exist at Hope House Children's Hospices that any marginal gender pay gap does not stem from paying men and women differently for the same or equivalent work.

HOPE HOUSE CHILDREN'S HOSPICES

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TRUSTEES' REPORT (INCLUDING DIRECTOR'S REPORT) FOR THE YEAR ENDED 31 DECEMBER 2020

(c) Activities for achieving objectives (continued)

Supporting employees (continued)

Support during the pandemic

The pandemic had a significant impact on our workforce with a substantial number furloughed for part of the year, many moving virtually overnight to working from home, and care staff wearing extensive personal protective equipment to prevent the spread of infection. Safety was our number one priority and staff from across the charity worked together diligently developing standing operating procedures to ensure a safe and effective environment. These were updated as required in response to government guidance, initially this could be several times a day.

New risk assessments, procedures, PPE, training and communication programmes helped to ensure we maintained a covid secure working environment, whilst also preventing feelings of isolation or disconnect for those at home. A significant amount of scenario and contingency planning was undertaken to ensure we could adapt our workforce to longer term uncertainty caused by the pandemic.

In the early weeks of the pandemic trying to secure regular and reliable supplies of PPE became an obsession, with the NHS and government introduced systems changing in response to repeated failures to deliver. Fortunately with the help of the fundraising team and the generosity of the public we were able to obtain the relevant PPE to ensure we met new infection control procedures.

A Covid outbreak occurred amongst staff at Tŷ Gobaith at the end of the year, in total nine staff were affected. A thorough infection control audit, chronology and root cause analysis were undertaken but no conclusive source of transmission of the infection was identified, with human error as the probable cause and the new 'more contagious variant' now in circulation. Staff were given the opportunity to attend debriefs and further training given to reinforce SOPs and guidance. The outbreak resulted in access to the hospice restricted to end of life, care after death and crisis support for a total of 3 weeks.

A range of activities and initiatives were successfully delivered through the year to help employees stay engaged and informed through:

- Virtual Q&A sessions and regular workplace updates from the Chief Executive and senior managers
- Establishment of new resources to help with the wellbeing – staff pulse and home worker's surveys; new workplace health and wellbeing group with information on mindfulness, fitness, yoga, healthy eating and working from home;
- Welfare calls to furloughed staff; access to free training on health and wellbeing
- Celebrations of achievements and saying thank you – Christmas thank you parcel, complimentary snacks/gift sets and hand creams in the hospices
- A wellbeing fund was established to support staff beyond our legal health and safety requirements.

In May 2020, a survey of staff found that 88% of staff felt that Hope House Children's Hospices was doing all that it could to look after their health and wellbeing during these difficult times.

Achievements and performance

(a) Going concern

After making appropriate enquiries, the trustees have a reasonable expectation that the charitable company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

HOPE HOUSE CHILDREN'S HOSPICES

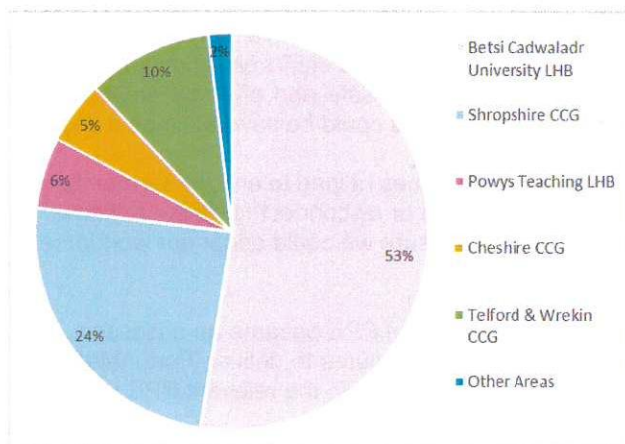
(A company limited by guarantee)

TRUSTEES' REPORT (INCLUDING DIRECTOR'S REPORT) FOR THE YEAR ENDED 31 DECEMBER 2020

(b) Review of activities

Children and young people registered with Hope House Children's Hospices

Hope House Children's Hospices supports children and families' resident in Shropshire, Cheshire, North and Mid Wales. During the year 264 children and young adults with life limiting and life-threatening conditions were registered with Hope House Children's Hospices. 54 new referrals were accepted.



As shown in the chart most children registered were resident in the Betsi Cadwaladr Health Board area (North Wales) followed by Shropshire CCG area.

Sadly 31 children registered with the hospices died. End of life care was provided for 8 children in the hospices. 15 families were supported by the hospices through our Snowflake service immediately following the death of their child.

In House Hospice Services

Hope House Children's Hospices operates two hospices, Hope House in Morda near Oswestry, Shropshire and Tŷ Gobaith in Conwy, North Wales. Despite the challenges of the pandemic both Hope House and Tŷ Gobaith remained open throughout the year.

In 2020 hospice care as we knew it changed drastically and from the outset of the pandemic continuing to deliver care and support to the children, young people and their families in response to their need remained our priority. Most of the children and young people are clinically vulnerable and we helped them to secure shielding letters so that they could access additional support whilst remaining at home. All planned respite was cancelled and in accordance with the shielding guidelines home visits and face to face communication with families across all areas of care was paused. We were able to re-open for planned respite care at the end of 2020 with a reduced bed capacity of two beds at Tŷ Gobaith and four at Hope House. Family stays at the hospices were restricted to end of life care and day care also ceased during the periods of national lockdowns.

Face to face support continued for end of life care, care after death and crisis care; albeit with new procedures to mitigate the risk of cross infection and ensure a Covid-safe environment. The challenges were many, but we were determined that no child should die without their family around them, and no family should be left unable to say goodbye to their child following their death.

Within Hope House and Tŷ Gobaith the home from home environment and informal, relaxed atmosphere we strive hard to achieve had to take on a new concept. Staff wore surgical scrubs, PPE and the building was besieged with hand sanitiser, copious signs and one way systems. The challenges of communicating wearing a mask and not being able to offer a comforting hand were all very apparent.

Care within the hospice was undertaken in designated areas with strict access and exit regimes and infection control measures, dependent upon the individual needs of the child and family. Visits to family homes were restricted to end of life or care after death with appropriate PPE and infection control measures.

Keeping in touch with families on a regular basis took on a new urgency, they were self-isolating and faced a worrying time with the threat of Covid adding to their child's already vulnerable health status. Support for children and their families changed overnight and evolved into a virtual hospice service delivered by online platforms, texting, telephone, email and postal mailings.

HOPE HOUSE CHILDREN'S HOSPICES

(A company limited by guarantee)

TRUSTEES' REPORT (INCLUDING DIRECTOR'S REPORT) FOR THE YEAR ENDED 31 DECEMBER 2020

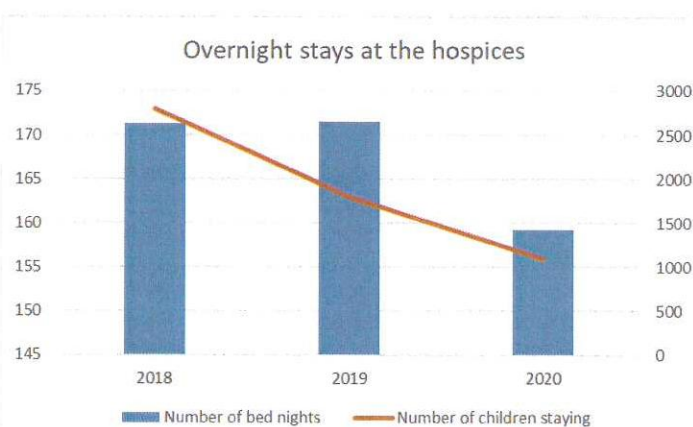
(b) Review of activities (continued)

Throughout 2020 and with the ever changing government guidance, requirements to screen staff, service users and visitors to the hospice evolved. This ranged from temperature checking and symptom screening through to Lateral Flow Device testing and PCR testing, each needing to be introduced and undertaken within different standard operating procedures between the two hospices.

The vaccine programme commenced with direct care staff at the end of the year and very quickly rolled out to all staff as per government guidance, there has been a positive 90% uptake of the first vaccine.

Despite the challenges and restrictions during 2020, 156 children stayed overnight at the hospices, a slight fall from 163 in 2019.

Although the number of children staying at the hospices during 2020 fell by just 5% the pandemic had a significantly great impact on the number of nights that children stayed at the hospices with overnight stays falling to 1430, just 54% of the previous year. This was due to the average length of stay being much shorter with a focus on crisis intervention and end of life care as opposed to planned respite stays which tend to be longer.

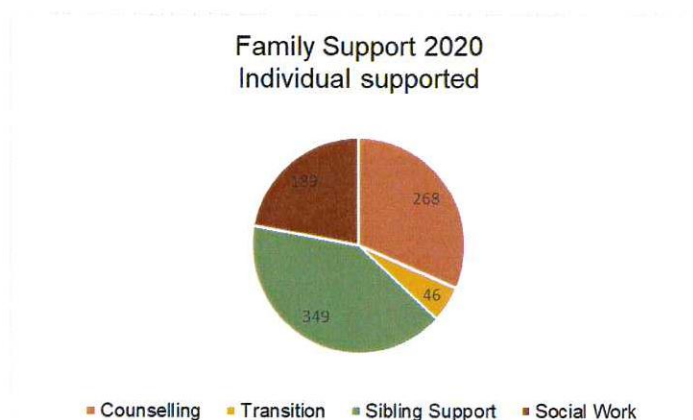


As the pandemic struck in March 2020, hospitals were desperately trying to discharge patients to free up capacity for Covid care. In supporting the NHS we altered our priorities of care to include the rapid discharge of children from hospital beds into our care for step down support, thus freeing up NHS capacity. During the year 14 children received step down care from Hope House Children's Hospices allowing them to be discharged safely from hospital.

The symptom control service that we established in 2018 continued to develop during the year supporting 35 individual children and young people. The symptom control team consists of the Medical Officer, Clinical Nurse Specialist, Pharmacy Technician, Nurse and a Physiotherapist thus having a multi-disciplinary approach. When face-to-face assessment could not take place, support and assessment was undertaken virtually. This proved to be very successful and enabled an efficient service especially for re-assessment and follow up.

Family Support Services

Our Family Support service consists of counselling, sibling support, homecare, social work, transition and neonatal support. During 2020 this service was significantly affected by the pandemic and steps to prevent the spread of the virus with almost all direct face to face support ceasing. The team quickly and creatively moved support online, by telephone and by letter, and through these 'virtual hospice' services provided support to 852 individuals as shown in the chart.



In April 2020 we ceased all face to face counselling and our counsellors retrained to provide counselling via telephone and online platforms. Following retraining, we were able to re-establish this service and pleasingly 90% of individuals who were receiving counselling for post bereavement support moved to receiving it virtually. One mum said it was much easier as she only needed to find care for her children for an hour as opposed to 4 hours with the additional travel time. In January 2021 we conducted a family survey to assess the effectiveness of 'Virtual hospice' services and this will help inform service design as we emerge from the pandemic.

HOPE HOUSE CHILDREN'S HOSPICES (A company limited by guarantee)

TRUSTEES' REPORT (INCLUDING DIRECTOR'S REPORT) FOR THE YEAR ENDED 31 DECEMBER 2020

Monitoring Impact

Service users, families and carers offer a unique voice on the impact of the services offered by the charity. There is an established commitment to the engagement and involvement of service users, families and carers to ensure that children and families are at the heart of what we do.

In January 2020 Hope House Children's Hospice was subject to an unannounced inspection by the Care Quality Commission. The CQC Independent Hospital Quality Panel rated the care and responsiveness provided by the hospice as 'Outstanding' and asked the National Specialist Quality Control and Consistency Panel to look at the well led rating to consider if it is also 'Outstanding'. The National Quality Control Panel ultimately graded all of the five domains as 'Good' and rated Hope House Children's Hospices overall as 'Good'. [Hope House Children's Hospice \(cqc.org.uk\)](https://www.cqc.org.uk)

In the Summary of Findings the CQC state

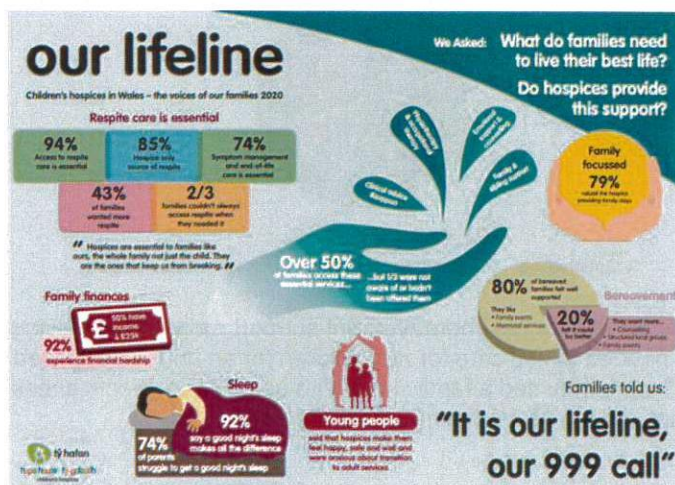
Staff treated children, young people and their families with exceptional kindness and compassion and ensured their privacy and dignity were maintained at all times. Children, young people and their families and were fully empowered as active partners in their care, practically and emotionally, by an exceptional and distinctive service. Staff provided an exceptionally high level of emotional support to patients, families and carers to minimise their distress. They understood patients' personal, cultural and religious needs. Feedback from people who use the service, those who are close to them and stakeholders was continually extremely positive about the way staff treated them. People thought that staff went the extra mile, and their care and support exceeded their expectations.

The service planned and provided exceptional care with excellent facilities in a way that met the needs of local people and the communities served.

In 2020 in partnership with Tŷ Hafan Children's Hospice we published **Family Voices** a report based on a survey of views of life-limited children, young people and their families, as well as bereaved families on whether children's hospices in Wales provide the support they need to live the best life they can. [Family Voices Project | Hope House Children's Hospices](#)

Commenting on the importance of core hospice services to their family, one parent explained that "these places are essential to families like ours, to the children and the families, the whole family not just the child. They are the ones that keep us from breaking".

The report makes clear that without the respite provided by the children's hospices, and the public donations that keep them open, there would be nowhere for these families to go. Even though almost every family who responded deemed short break care as 'essential', 85% said that their hospice was their only form of respite. When asked what change would make a difference to their lives, 75% said they needed more frequent and longer respite stays to enable them to rest and recharge, and to spend quality time with each other, safe in the knowledge their children are being expertly cared for 24/7.



The report also identified that 73% of families face barriers when it comes to accessing essential health and social support, with one parent explaining "we had to reach crisis point to receive any care [...], a long wait for any support". Families also identified barriers in accessing hospice services including availability, distance to services, schooling, cost or transport challenges.

74% of families reported that knowing they can access symptom management and end-of-life care really matters to their family and makes a big difference to their lives. Well over 60% reported that other services, such as clinical advice, physiotherapy, occupational therapy and emotional support are essential to their wellbeing.

HOPE HOUSE CHILDREN'S HOSPICES

(A company limited by guarantee)

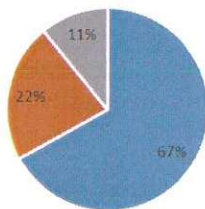
TRUSTEES' REPORT (INCLUDING DIRECTOR'S REPORT) FOR THE YEAR ENDED 31 DECEMBER 2020

In January 2021, a survey was conducted on the accessibility and value of virtual hospice services provided by Hope House Children's Hospices during the pandemic in 2020 and the results collated into a **Family Feedback Report**.

It was pleasing to hear that the hospice met the needs of 72% of families and when families contacted the hospices for support the support given was rated as beneficial by 89% of families.

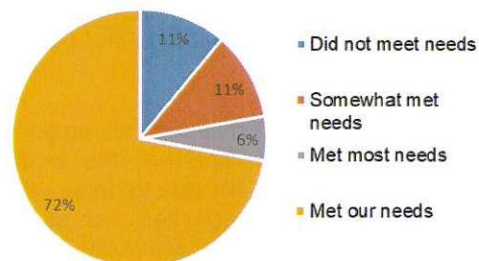
Feedback from families included;

How was the response from the hospice to your request for assistance?



■ Very beneficial ■ Beneficial ■ Not particularly beneficial

Meeting family needs during the pandemic



■ Did not meet needs
■ Somewhat met needs
■ Met most needs
■ Met our needs

- Had a weekend respite in August 2020. We felt he was well looked after, and it was great to see the team of fabulous staff.
- To know that the team will support us through this crisis is above and beyond it puts my mind at ease from the worry that we have with our son and covid it's reassuring to know we've only to pick up the phone and a member of the team are there to help us.

- The staff team have been available for help and advice whenever we have needed it.
- We had 2 respite stays during the pandemic last year and this helped us hugely. We don't have any other respite or help with our son's care (other than attending school) so Hope House is important to us. I have also had advice from the Hope House staff recently on some equipment for our son, so they are always there on the end of the phone when you need them.
- When my Father passed away from COVID they had my Daughter in for his funeral. Also another period during significant stress - they have been amazing.
- Making sure we have all the information to all the activities platforms and what's going on we are so grateful for the support we get phone calls etc.
- We've had the nurses support updating our son's one page profile within a day – phenomenal support, I've had counselling and we have phone calls every couple of weeks. Reassurance that support is there. Thank Hope House you make everyday day life so much more liveable.

Other feedback included;

- If more respite was an option this would be helpful, if more rooms were open in the hospice it would be nice to know that sensory rooms, swimming and time in the playrooms were an option to our child during their stay.
- I wish more rooms were able to open, like the sensory room, playroom and swimming.

Plans are in place to reopen the hospice as infection control restrictions permit.

Complaints

One complaint about the care provided was received in 2020, and this was upheld by the Head of Care. Appropriate action was taken to reduce the likelihood of repeat incidents.

HOPE HOUSE CHILDREN'S HOSPICES

(A company limited by guarantee)

TRUSTEES' REPORT (INCLUDING DIRECTOR'S REPORT) FOR THE YEAR ENDED 31 DECEMBER 2020

(c) Fundraising activities/Income generation

Fundraising activities

On the 23rd of March 2020, the Prime Minister told the nation to stay at home and with that announcement closed our charity retail shops and brought to end plans for large face to face fundraising events organised by the hospice or by supporters.

In April 2020, Hospice UK estimated that legacy income would be down by 25% due to falling asset values as most are in the form of shares or properties, retail income would be down 100% due to shops being forcibly closed, lottery income would be down by 25% due to being unable to canvas supporters and all other fundraising would be down by 75% as most fundraising activities such as midnight walks / gala dinners would be cancelled. It is testament to our supporters and our team that the reality for Hope House Children's Hospice was that despite the pandemic and restrictions continuing for significantly longer than the three months initially anticipated, fundraising income (excluding legacies) fell by just 15%. Legacy income held up and lottery income increased by 53.7%.

The restrictions of the first national lockdown in March 2020 led to a postponement of face-to-face fundraising activity initially until June. As the extent of the pandemic became clearer this led to a cancellation of events up to September. As national restrictions eased briefly in August some events such as golf days and duck races were able to be held. The reintroduction of restrictions by early September, that continued to tighten as we entered the autumn and winter months, meant that no further face to face fundraising events took place in 2020.

Wherever possible, we replaced face to face events with online and virtual events and this was generally an overwhelming success. Events such as the Hope House cycle ride saw the uptake and income generated double and the same was the case with the Nantwich Santa Dash that saw the income triple with 500 participants.

In 2020, we held two virtual 'Big Night In' events as alternatives to our annual balls. Although successful and enjoyed by all those who attended, the amount raised did not reflect the staff time and input required and will not be repeated in the same format.

Although 2020 was challenging, it did provide learning and we had the opportunity to try things that we might not have done had it not been for the pandemic. There is no certainty as to when life will return to some normality in the face-to-face fundraising world, but when it does, we will continue to offer virtual options too as we believe there will continue to be an appetite for both, resulting in increased income from each event.

Donors, supporters and volunteers can be confident that Hope House Children's Hospices complies with the regulatory standards for fundraising. We are registered with the Fundraising Regulator and are committed to the Fundraising Promise and adherence to the Code of Fundraising Practice.

We have comprehensive policies in place which include, amongst others:

- A complaints policy which is published on our website
- Vulnerable Person's Policy used in lottery face to face recruitment and fundraising
- Health and safety procedures including risk assessments and first aid for events
- An organisational wide policy to support volunteers who generously give their time to the charity
- Privacy and Data Protection Policies

We take feedback seriously and although we strive to receive no complaints, when we did, these were prioritised and investigated, fully, quickly and fairly. Where a complaint was upheld we learnt from our mistake and acted by putting in effective measures to limit further distress or complaints of the same nature.

Our website outlines our complaints policy for the public and clearly explains how an individual can complain.

HOPE HOUSE CHILDREN'S HOSPICES

(A company limited by guarantee)

TRUSTEES' REPORT (INCLUDING DIRECTOR'S REPORT) FOR THE YEAR ENDED 31 DECEMBER 2020

(c) Fundraising activities/Income generation (continued)

Fundraising activities (continued)

We received the following complaints during 2020.

- Retail: Eight complaints – all of which were upheld and resulted in action taken
- Lottery: Five complaints – all related to agency employed canvassers recruiting lottery players for Hope House Children's Hospices at venues. All five complaints were upheld, and action taken.
- Fundraising: No complaints were received

Given the level of activity and number of transactions in the year the level of complaint remains very low. We received no complaints or notifications via the Fundraising Regulator.

We sometimes engage the services of third parties to help us deliver the fundraising objectives, particularly where we do not have the expertise in house. We have safeguards in place when working with suppliers to protect our supporters and the reputation of our charity. We aim to ensure those agencies we employ also observe the highest standards in terms of fundraising practice. We manage and monitor the work undertaken on our behalf and have robust contracts in place to ensure that all activities are carried out to our high standards.

We are signed up to the Fundraising Preference Service to enable individuals to opt out from receiving fundraising communications from us.

Our reputation with those who need our services and to those who kindly donate to us is paramount. We therefore make the following promises to those who so kindly support us:

1. We comply with all relevant law, regulations and codes of practice and ensure that those who are contracted to work with us understand and adhere to them in their entirety. We regularly monitor performance and have robust contracts in place to ensure compliance.
2. We treat the information supporters provide with the utmost respect and use it only for the purposes for which it has been given. Supporters can change their preferences at any time, and we aim to implement those changes within 2 working days.
3. We have a comprehensive vulnerable people's policy that is regularly reviewed and updated as required.
4. We respect and value all contributions to the charity and will never do any fundraising activity that may undermine our core values or integrity.

Income from statutory bodies

We are hugely grateful to the UK and Welsh Governments for the support they offered to businesses generally during the pandemic and for the specific financial support for hospices that was negotiated and agreed by Hospice UK on behalf of all hospices. Job Retention Scheme grants, Business Support grants and Hospice Emergency government funding received in both England and Wales totalled £1.76m. This was in addition to the annual funding received for service level agreements with local health boards and clinical commissioning groups.

Retail contribution

2020 was undoubtedly Retail's most difficult year and to make a loss after a record-breaking year in 2019 was very disappointing. However, the team were resolute, and morale remained high throughout.

Due to the various lockdowns, shops were able to open on only 53% of planned trading days in 2020, nearly half of which preceded the first lockdown starting on 23rd March. Total turnover for the year was £1.26m vs a budget of £2.37m which is also 53%. Despite the limitations, shops were able to hit target when allowed to open.

HOPE HOUSE CHILDREN'S HOSPICES

(A company limited by guarantee)

TRUSTEES' REPORT (INCLUDING DIRECTOR'S REPORT) FOR THE YEAR ENDED 31 DECEMBER 2020

(c) Fundraising activities/Income generation (continued)

Retail contribution (continued)

£199k in Job Retention Scheme claims were made for furloughed Retail staff, and £369k was received in Business Support grants for Retail premises. When added to the £364k deficit, this means Retail made a £204k net contribution to the charity.

Volunteering levels were impacted by the pandemic. Approximately 40% of volunteering hours had returned following the first national lockdown by the time of the localised lockdowns in October and November. Volunteer recruitment and engagement campaigns are planned for 2021 and it is hoped that the vaccine will increase confidence in returning.

There were three significant changes in the Retail estate during 2020. Flint shop opened in January, Wellington closed permanently in March and the Shrewsbury town centre shop was relocated to new premises in September.

Though completion of the Retail strategy was delayed by the pandemic, work resumed in late 2020 and the Board of Trustees approved the new strategy in December.

Hope House Lottery

The Hope House Lottery is run in conjunction with our partner Sterling Lotteries who draw the winning numbers every Friday (www.sterlinglotteries.co.uk). The Hope House Lottery belongs to the member group HLA (www.hospicelotteries.co.uk). We adhere to the Gambling Commission regulations including contributing to begambleaware each year.

Every week the Hope House Lottery team enter all members who have paid their £1 to participate in the draw. Winners do not need to claim their prize as all cheques are automatically sent to them.

We started 2020 with three face to face canvassing agencies with whom we contracted to recruit new supporters to the lottery through a combination of door to door recruitment and at venues.

- LFS (LFS – Lottery Fundraising Services)
- Hospice Helpers Ltd
- UK Sales Recruitment (www.uksalesrec.co.uk)

On the 23rd of March face to face lottery recruitment was paused and did not restart until mid-November, before stopping again with the third lockdown in December. The business plan for 2020 set a target for the recruitment of 13,500 new lottery players. Due to restrictions on face-to-face recruitment only 3,856 new lottery players were recruited.

Despite restrictions, net income from the lottery exceeded the budget. This was due to a reduction in recruitment costs, attrition being lower than forecast and staff saving as we moved onto a new lottery management platform.

A focus on player engagement over the year saw attrition fall significantly to just 24%, from 31% in 2019 and we ended 2020 with 32,021 entries in our weekly draw.

(d) Investment policy and performance

The investment portfolio is managed by the Income and Investment Committee of the Board of Trustees. In general terms, the aim is to spread risk across several sectors as follows:

- Cash in UK registered current, deposit and overnight bank accounts.
- Shares traded on the London Stock Exchange and overseas.
- Freehold and leasehold land.
- Shares and other investments donated to the charity (after a full financial review of the investment at the next appropriate investment committee meeting).

HOPE HOUSE CHILDREN'S HOSPICES

(A company limited by guarantee)

TRUSTEES' REPORT (INCLUDING DIRECTOR'S REPORT) FOR THE YEAR ENDED 31 DECEMBER 2020

(d) Investment policy and performance (continued)

- Shares in subsidiary companies.
- Unit trusts, open ended investment companies, trust companies and the like.

The Income and Investments Committee is mindful of its key responsibility of keeping the finances of the charity as secure as possible and therefore have adopted a balanced low/medium risk investment strategy. The committee engaged the services of Investec Wealth and Investment and Parmenion Capital Partners to manage the charity's equity portfolio and received independent financial advice from Redbourne Wealth Management.

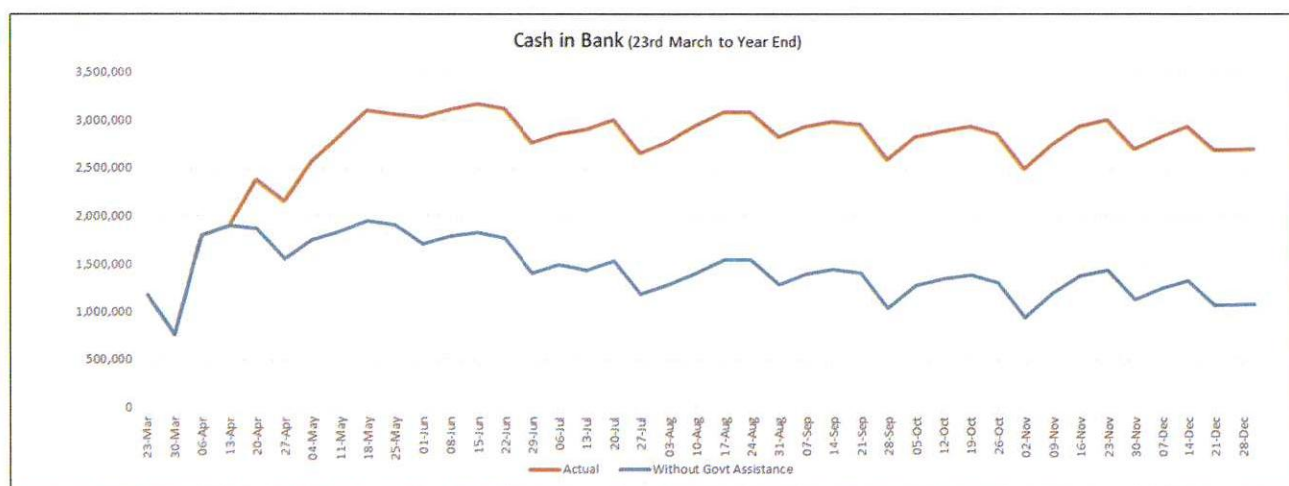
The performance of the Investment Manager and Portfolio is reviewed regularly by the Income and Investment Committee and performance is assessed against the Balanced Asset Benchmark produced by Asset Risk Consultants (ARC).

As the worldwide impact of the pandemic began to be felt in March 2020 the value of our investment portfolio fell sharply in line with the market. Over the following months the portfolio recovered, and we ended the year with an investment portfolio of £4.87 million, an increase of 3.5% from the start of the year.



Financial review

When the pandemic first broke the impact on income was unknown. Decisions were therefore taken to pause recruitment, suspend the capital programme and to maximise cash to reduce the need to draw on reserves to meet monthly liabilities. Weekly cash flow forecasts were produced showing actual, forecast and estimated cash flow over a rolling three week period. On the 19th of April, just under £2.4million was being held as cash in bank and cash did not fall below this level throughout the year. At the end of the year cash in bank stood at £2.7 million.



In July 2020 as the likely impact of the pandemic became apparent a new financial forecast for 2020 was agreed allowing income and expenditure to be monitored against more realistic figures than those approved in December 2019. Monthly management accounts were produced within 10 working days of month end and performance was reported against budget, the revised forecast and previous year. The Board of Trustees was apprised of the financial position at each meeting by the Chief Executive and Commercial Director.

HOPE HOUSE CHILDREN'S HOSPICES

(A company limited by guarantee)

TRUSTEES' REPORT (INCLUDING DIRECTOR'S REPORT) FOR THE YEAR ENDED 31 DECEMBER 2020

(a) Financial and risk management objectives and policies

Insufficient income and a significant reduction or loss of statutory sector funding were two strategic risks identified by the Board of Trustees that fell above the charity's risk appetite in 2020 and required additional mitigation. This included;

- Supporter engagement programme launched in line with the fundraising strategy
- Successful virtual and remote participation fundraising events held
- Trust Fundraising Team established
- Plan Ahead programme launched to re-imagining fundraising and retail activity to increase income
- Discussion with NHS Commissioners and Welsh Government on a new funding deal including multiyear funding agreements
- Campaigning for continued (and increased) funding from NHS England and the Welsh Government through national umbrella bodies
- Quality and Assurance systems developed including data collection and reporting mechanisms to meet funder requirements

The trustees believe that whilst the major financial risks remain, action is being taken to mitigate the risks. Reserves are kept enabling the charity to respond in the event that there is a significant shortfall in income over expenditure.

(b) Reserves policy

The Pandemic demonstrated how the charity's income is susceptible to fluctuations in donations resulting from events beyond its control. Reserves are held to help ensure that children and families in the future will continue to be able to access care and support. In 2020 it was agreed that the Coronavirus pandemic was a potential catastrophic event and that reserves of up to £300,000 held in order to respond to catastrophic events could be released. In the event this was not required.

The interaction between reliability of income and the extent to which expenditure is committed helps determine the reserves policy. From analysis it has been determined that there are high levels of uncertainty over income offset by a fairly static cost base. This led us to a risk-based Reserves Policy first approved in June 2017 and revised in September 2019 that ensures reserves are held as designated funds for business continuity, workforce management and investment.

The policy set a minimum unrestricted available reserve of £4.68 million at the beginning of 2020. If reserves fell below the minimum reserve for a period of two consecutive quarters then action was to be taken within 12 months to reduce costs in accordance with the agreed priorities, bringing expenditure and income into balance. This situation did not occur in 2020.

Plans for the future

The impact of the pandemic had the potential to irrevocably damage the charity, and we must caution ourselves that it is far from over, however, what the last year has shown us is that we have the right skills and attitude in the organisation to navigate this most severe of storms. Rather than damage us the pandemic has changed the way in which we think about how services can be delivered and how we all work.

We will be starting 2021 with a level of uncertainty higher than for many years. Uncertainty around how the pandemic will be managed and its impact on society brings huge uncertainty around our ability to raise sufficient money and how we will provide care. With such a level of uncertainty we are projecting cautious income targets for 2021 resulting in a large deficit budget funded from surpluses built up during 2019 and 2020. Going forward we will need to bring income and expenditure into balance and service redesign and cost savings by the end of 2021 will be required.

In December 2020, the Board affirmed its commitment to build back from the impact of the pandemic, building on the successes seen during the year with new initiatives and different approaches. The Care and Fundraising Strategies approved in 2019 remain fit for purpose and new Retail and Volunteering strategies will be delivered.

HOPE HOUSE CHILDREN'S HOSPICES
(A company limited by guarantee)

**TRUSTEES' REPORT (INCLUDING DIRECTOR'S REPORT)
FOR THE YEAR ENDED 31 DECEMBER 2020**

Plans for the future (continued)

The pandemic has changed how people work and how services are delivered. Digital Transformation will be the major project for 2021 with the introduction of a new Care Management System as the flagship project.

2020 also saw a strengthening of the relationship between Hope House and Tŷ Hafan Children's Hospices and the two charities will continue to work cooperatively on public affairs work in Wales as the first phase and proof of concept of the benefits of closer collaboration.

Trustees' responsibilities statement

The trustees (who are also directors of Hope House Children's Hospices for the purposes of company law) are responsible for preparing the trustees' report (including the group director's and strategic report) and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS102);
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable group will continue in operation.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company and the group's transactions and disclose with reasonable accuracy at any time the financial position of the charitable group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

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

- so far as that trustee is aware, there is no relevant audit information of which the charitable group's auditors are unaware, and
- that trustee has taken all the steps that ought to have been taken as a trustee in order to be aware of any relevant audit information and to establish that the charitable group's auditors are aware of that information.

This report, incorporating the group strategic report, was approved by the trustees, in their capacity as company directors, on 23rd June 2021 and signed on their behalf by:



Stephen Henly
Chair of Trustees

HOPE HOUSE CHILDREN'S HOSPICES

(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HOPE HOUSE CHILDREN'S HOSPICES

Opinion

We have audited the financial statements of Hope House Children's Hospices (the 'charitable parent company') and its subsidiaries ('the group') for the year ended 31 December 2020 which comprise the group statement of financial activities, the group balance sheet, the charitable company balance sheet, the group statement of cash flows and the related notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 December 2020 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'; 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 Auditors responsibilities for the audit of the financial statements section of our report. We are independent of the group and the charitable company 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 trustees' use of 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 charity'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 other information comprises the information included in the annual report set, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

HOPE HOUSE CHILDREN'S HOSPICES
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF HOPE HOUSE CHILDREN'S HOSPICES**

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Report of the Trustees, which includes the directors' report for the purpose of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the Report of the Trustees has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the environment of the charitable company and the group obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the Report of the Trustees.

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

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

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

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

HOPE HOUSE CHILDREN'S HOSPICES
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HOPE HOUSE CHILDREN'S HOSPICES

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

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

Enquiries of management and those charged with governance were held in order to identify any laws and regulations that could be expected to have a material impact on the financial statements. Throughout the audit, the team were updated with the outcomes of these enquiries including consideration as to where and how fraud may occur in the charitable company and the group.

The audit procedures undertaken to address any potential risk in relation to irregularities (which include fraud and non-compliance with laws and regulations) included: enquiries of management and those charged with governance on how the charitable company and group comply with relevant laws, regulations and any cases actual or potential litigation or claims; examination of appropriate legal correspondence; review of board minutes; testing of journal entries for appropriateness; and analytical procedures on account balances to identify variances against expectation which may show indications of fraud.

No instances of material non-compliance were identified, although the prospect of detecting irregularities, including fraud, is inherently difficult. This is due to; difficulty in detecting irregularities; limits imposed by the effectiveness of the entity's controls; and the nature, timing and extent of the audit procedures performed. Irregularities as a result of fraud are inherently more difficult to detect than those that resulting from error. Despite the audit being planned and performed in accordance with ISAs (UK), there is an unavoidable risk that material misstatements may not be detected.

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

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 auditors' 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.



Michael Caputo FCA (Senior Statutory Auditor)
For and on behalf of **McLintocks (NW) Limited**

23rd June 2021

Chartered Accountants
Statutory Auditor

2 Hilliards Court
Chester Business Park
Chester
Cheshire
CH4 9PX

Notes:

1. The maintenance and integrity of the Hope House Children's Hospices website is the responsibility of the trustees; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the web site.

HOPE HOUSE CHILDREN'S HOSPICES
(A company limited by guarantee)

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Note	Unrestricted funds £	Restricted funds £	2020 Total funds £	2019 Total funds £
INCOME					
Donations and legacies	3	4,064,200	233,481	4,297,681	4,831,717
Income from trading activities	4	3,067,304	-	3,067,304	3,927,414
Income from charitable activities	5	-	1,017,422	1,017,422	916,523
Investment income	6	91,244	-	91,244	86,860
Other income	7	986,138	780,711	1,766,849	-
TOTAL INCOME		8,208,886	2,031,614	10,240,500	9,762,514
EXPENDITURE					
Expenditure on raising funds:					
Raising funds within the Charity	8	884,661	-	884,661	1,053,479
Expenditure on trading activities	9	2,052,483	-	2,052,483	2,356,155
Expenditure on charitable activities	10	3,541,771	1,941,581	5,483,352	5,711,346
TOTAL EXPENDITURE		6,478,915	1,941,581	8,420,496	9,120,980
NET SURPLUS FOR THE YEAR		1,729,971	90,033	1,820,004	641,534
Gains on revaluation of investments	17	116,244	-	116,244	303,653
Gross transfer between funds		155,781	(155,781)	-	-
NET MOVEMENT IN FUNDS FOR THE YEAR		2,001,996	(65,748)	1,936,248	945,187
Total funds at 1 January		12,038,640	138,789	12,177,429	11,232,242
TOTAL FUNDS AT 31 DECEMBER		14,040,636	73,041	14,113,677	12,177,429

All activities relate to continuing operations. The Statement of Financial Activities includes all gains and losses recognised in the year.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

The notes on pages 28 to 47 form part of these financial statements.

HOPE HOUSE CHILDREN'S HOSPICES
(A company limited by guarantee)

**CONSOLIDATED BALANCE SHEET
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Note	£	2020 £	£	2019 £
FIXED ASSETS					
Tangible assets	16		5,028,521		5,119,682
Investments	17		4,875,575		4,696,068
			<u>9,904,096</u>		<u>9,815,750</u>
CURRENT ASSETS					
Stocks	18	12,760		6,876	
Debtors	19	1,981,880		1,728,042	
Cash at bank and in hand		<u>2,710,974</u>		<u>1,253,028</u>	
		4,705,614		2,987,946	
CREDITORS					
Amounts falling due within one year	20	<u>(496,033)</u>		<u>(626,267)</u>	
NET CURRENT ASSETS			4,209,581		2,361,679
NET ASSETS			<u>14,113,677</u>		<u>12,177,429</u>
CHARITY FUNDS					
Unrestricted Funds:					
Designated funds	21		4,862,000		4,681,000
General funds	21		9,178,636		7,357,640
			<u>14,040,636</u>		<u>12,038,640</u>
Restricted Funds	21		73,041		138,789
TOTAL FUNDS			<u>14,113,677</u>		<u>12,177,429</u>

The financial statements were approved by the trustees on 23rd June 2021 and signed on their behalf by:



Stephen Henly
Chair of Trustees

The notes of pages 28 to 47 form part of these financial statements.

HOPE HOUSE CHILDREN'S HOSPICES
(A company limited by guarantee)

CHARITY BALANCE SHEET
FOR THE YEAR ENDED 31 DECEMBER 2020

		2020		2019	
	Note	£	£	£	£
FIXED ASSETS					
Tangible assets	16	5,028,521		5,119,682	
Investments	17	<u>4,875,579</u>		<u>4,696,072</u>	
		9,904,100		9,815,754	
CURRENT ASSETS					
Stocks	18	10,902		4,891	
Debtors	19	3,445,616		1,994,049	
Cash at bank and in hand		<u>1,122,724</u>		<u>803,980</u>	
		4,579,242		2,802,920	
CREDITORS					
Amounts falling due within one year	20	<u>(376,096)</u>		<u>(447,676)</u>	
NET CURRENT ASSETS			4,203,146		2,355,244
NET ASSETS		<u>14,107,246</u>		<u>12,170,998</u>	
CHARITY FUNDS					
Unrestricted Funds:					
Designated funds	21	4,862,000		4,681,000	
General funds	21	<u>9,172,205</u>		<u>7,351,209</u>	
		14,034,205		12,032,209	
Restricted Funds	21	73,041		138,789	
TOTAL FUNDS		<u>14,107,246</u>		<u>12,170,998</u>	

The financial statements were approved by the trustees on 23rd June 2021 and signed on their behalf by:

Stephen Henly
Chair of Trustees



As permitted by s408 Companies Act 2006, the charitable company has not presented its own statement of financial activities and related notes. The charitable company's surplus for the year was £1,936,248 (2019: £945,187).

The notes of pages 28 to 47 form part of these financial statements.

HOPE HOUSE CHILDREN'S HOSPICES
(A company limited by guarantee)

**CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Notes	2020 £	2019 £
Cash provided by operating activities	1	<u>1,657,000</u>	<u>372,504</u>
Cash flows from investing activities:			
Investment income		91,244	86,860
Purchase of tangible fixed assets		(227,035)	(271,640)
Purchase of listed investments		(232,686)	(1,590,925)
Sale of listed investments		169,423	829,598
Cash used on investing activities		<u>(199,054)</u>	<u>(946,107)</u>
(Decrease)/Increase in cash and cash equivalents in the year		1,457,946	(573,603)
Cash and cash equivalents at the beginning of the year	2	<u>1,253,028</u>	<u>1,826,631</u>
Cash and cash equivalents at the end of the year	2	<u>2,710,974</u>	<u>1,253,028</u>

The notes on pages 28 to 47 form part of these financial statements.

HOPE HOUSE CHILDREN'S HOSPICES
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

1 RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2020 £	2019 £
Net income for the reporting period (as per the statement of financial activities)	1,936,248	945,187
Adjustments for:		
Income from investments	(91,244)	(86,860)
Depreciation of tangible fixed assets	318,196	338,202
Revaluation of investments	(116,244)	(303,653)
(Increase)/decrease in stocks	(5,884)	2,086
(Increase) in debtors	(253,839)	(524,482)
(Decrease)/increase in creditors	(130,233)	2,087
Net cash provided by (used in) operating activities	<u>1,657,000</u>	<u>372,504</u>

2 ANALYSIS OF CASH AND CASH EQUIVALENTS

	2020 £	2019 £
Cash at bank and in hand	<u>2,710,974</u>	<u>1,253,028</u>
Total cash and cash equivalents	<u>2,710,974</u>	<u>1,253,028</u>

HOPE HOUSE CHILDREN'S HOSPICES

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

1. ACCOUNTING POLICIES

Charity information

Hope House Children's Hospices is a registered charity and private company limited by guarantee incorporated in England and Wales. The registered office is Nant Lane, Morda, Oswestry SY10 9BX.

The group consists of Hope House Children's Hospices and all of its subsidiaries.

The Charitable Company's financial statements have been prepared in compliance with the Charities SORP (FRS 102) issued 1 January 2015 (update bulletin 2, effective 1 January 2019).

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's governing document, the Companies Act 2006 and "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)" (as amended for accounting periods commencing from 1 January 2019). The charitable company is a Public Benefit Entity as defined by FRS 102. The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain financial instruments at fair value. The principal accounting policies adopted are set out below.

The charitable company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The charity has therefore taken advantage of exemptions from the following disclosure requirements for parent company information presented within the consolidated financial statements:

- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues': Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

1.2 Basis of consolidation

The consolidated financial statements incorporate those of Hope House Children's Hospices and all of its subsidiaries (i.e. entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits) on a line-by-line basis.

All financial statements are made up to 31 December 2020.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

HOPE HOUSE CHILDREN'S HOSPICES
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

1. ACCOUNTING POLICIES (continued)

1.3 Preparation of the accounts on a going concern basis

The trustees have considered the future trading of the charitable company and the group and have prepared cash flow forecasts for a period of 12 months from the date of these financial statements.

At the time of approving the financial statements, the trustees have a reasonable expectation that the charitable company and group have adequate resources to continue in operational existence for the foreseeable future, despite the COVID-19 global pandemic. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.4 Incoming resources

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

For legacies, entitlement is taken as the earlier of the date on which either: the Charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution.

Where legacies have been notified to charities or the Charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Income from charitable activities is grant income received from local government, this is recognised when the charity has entitlement to the funds, any performance conditions have been met and the amount can be reliably measured.

Other income relates to support provided to the charity throughout the COVID-19 pandemic and includes; Coronavirus Job Retention Scheme grants, retail support grants and hospice support grants. Income is recognised on receipt or when the amount can be reliably measured.

1.5 Donated services and facilities

Donated professional services and donated facilities are recognised as income when the Charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the Charity of the item is probable and the economic benefit can be measured reliably.

In accordance with the Charities SORP (FRS102), the general volunteer time is not recognised, refer to the trustees' annual report for more information about their contribution.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

1.6 Interest receivable

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

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation. Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

HOPE HOUSE CHILDREN'S HOSPICES
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

1. ACCOUNTING POLICIES (continued)

1.7 Fund accounting

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

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

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

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

1.8 Expenditure

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

- Costs of raising funds comprises fundraising costs incurred in seeking donations, grants and legacies, costs of fundraising activities including the costs of commercial trading, shop trading and the lottery and their associated support costs.
- Expenditure on charitable activities includes the cost of providing care and associated support.

1.9 Allocation of support costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include head office costs, finance, personnel, payroll and governance costs and also include project management carried out centrally. Governance costs are those incurred in connection with administration of the Charity and compliance with constitutional and statutory requirements.

1.10 Operating leases

The Charity classifies the lease of shop premises and vehicles as operating leases. Rentals under operating leases are charged on a straight line basis over the term of the lease.

1.11 Tangible fixed assets

Individual fixed assets costing £1,000 or more were capitalised at cost in the year including any incidental expenses of acquisition.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold buildings	40 years straight line
Freehold land	nil
Other property	Depreciated to a residual value
Plant and machinery	4 – 10 years straight line
Motor vehicles	5 – 10 years straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

HOPE HOUSE CHILDREN'S HOSPICES
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

1. ACCOUNTING POLICIES (continued)

1.12 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Transaction costs are expensed as incurred. Changes in fair value are recognised in the statement of financial activities throughout the year.

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

1.13 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

1.14 Debtors

Debtors are recognised at the settlement amount due after any trade discounts offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.15 Cash at bank and in hand

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

1.16 Creditors and provisions

Creditors and provisions are recognised where 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. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

1.17 Pensions

The Charity operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Charity to the fund in respect of the year.

1.18 Financial Instruments

The charitable company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charitable company's balance sheet when the charitable company becomes party to the contractual provisions of the instrument. Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

HOPE HOUSE CHILDREN'S HOSPICES
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

1. ACCOUNTING POLICIES (continued)

1.18 Financial Instruments (continued)

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method. Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charitable company's contractual obligations expire or are discharged or cancelled.

1.19 Critical accounting estimates and Judgements

In the application of the Charity's accounting policies, the trustees are required to make judgement, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

2. LEGAL STATUS

The Charity is a company limited by guarantee. The members of the company are the trustees named on page 1. In the event of the Charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the Charity.

HOPE HOUSE CHILDREN'S HOSPICES
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

3. INCOME FROM DONATIONS AND LEGACIES

	2020	2020	2020	2019
	Unrestricted	Restricted	Total	Total
	funds	funds	funds	funds
	£	£	£	£
Donations	1,760,082	233,481	1,993,563	2,253,970
Legacies	2,146,209	-	2,146,209	2,294,065
Tax recovered – gift aid	142,549	-	142,549	219,707
Other income	15,360	-	15,360	63,975
	<u>4,064,200</u>	<u>233,481</u>	<u>4,297,681</u>	<u>4,831,717</u>

INCOME FROM DONATIONS AND LEGACIES – 2019 COMPARATIVES

	2019	2019	2019
	Unrestricted	Restricted	Total
	funds	funds	funds
	£	£	£
Donations	2,049,906	204,064	2,253,970
Legacies	2,294,065	-	2,294,065
Tax recovered – Gift Aid	219,707	-	219,707
Other income	63,975	-	63,975
	<u>4,627,653</u>	<u>204,064</u>	<u>4,831,717</u>

Incoming resources from non-exchange transactions

Donated goods and facilities for which there was no income recorded were received to a value of £27,205. None of these donations had conditions attached.

In addition to paid staff, the charity was supported by 588 (2019: 594) active volunteers during the year, though activity reduced significantly from March onwards due to the pandemic. As a result, in 2020 volunteers provided 41,069 hours (2019: 75,632 hours) of volunteering worth equivalent of £420,209 (2019: £854,585) in salary costs.

4. INCOME FROM TRADING ACTIVITIES

	2020	2020	2020	2019
	Unrestricted	Restricted	Total	Total
	funds	funds	funds	funds
	£	£	£	£
Hope House (Trading) Limited	60,934	-	60,934	90,792
Hope House (Lottery) Limited	1,862,215	-	1,862,215	1,708,472
Hope House Children's Hospices	1,144,155	-	1,144,155	2,128,150
	<u>3,067,304</u>	<u>-</u>	<u>3,067,304</u>	<u>3,927,414</u>

The 2019 total income from trading activities was unrestricted. The trade of Hope House (Trading) Limited is derived from the sale and purchase of merchandise (new goods). Hope House (Lottery) Limited operates the lottery scheme and raffle.

HOPE HOUSE CHILDREN'S HOSPICES
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

5. INCOME FROM CHARITABLE ACTIVITIES

	2020	2020	2020	2019
	Unrestricted	Restricted	Total	Total
	funds	funds	funds	funds
	£	£	£	£
Income from statutory bodies	-	1,017,422	1,017,422	916,523

Analysed as:

	2020	2020	2020	2019
	Unrestricted	Restricted	Total	Total
	funds	funds	funds	funds
	£	£	£	£
Welsh LHB grants	-	269,569	269,569	268,364
NHS England grant	-	343,061	343,061	328,522
English CCG grants	-	341,645	341,645	292,159
Welsh Health Authority grant towards pensions	-	35,503	35,503	27,478
End of life funding	-	27,644	27,644	-
	-	1,017,422	1,017,422	916,523

All income from charitable activities in 2019 was restricted.

6. INVESTMENT INCOME

	2020	2020	2020	2019
	Unrestricted	Restricted	Total	Total
	funds	funds	funds	funds
	£	£	£	£
Investment income	91,244	-	91,244	86,860

All investment income in 2019 was unrestricted.

7. OTHER INCOME

	2020	2020	2020	2019
	Unrestricted	Restricted	Total	Total
	funds	funds	funds	funds
	£	£	£	£
Coronavirus job retention scheme	616,804	-	616,804	-
Retail support scheme	369,334	-	369,334	-
NHS Hospice support income	-	780,711	780,711	-
	986,138	780,711	1,766,849	-

NHS England awarded funding to allow the hospice to make available bed capacity and community support from April 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 in November and December 2020 for the same purpose. NHS Wales also provided funding to maintain core service provision from April to December 2020.

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**NOTES TO THE FINANCIAL STATEMENTS
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8. EXPENDITURE ON RAISING FUNDS WITHIN THE CHARITY

	2020	2019
	Total funds	Total funds
	£	£
Promotional materials	37,903	68,249
Designing and brand promotion	6,750	-
Printing, postage, stationery and IT	25,355	24,143
Event expenses	27,977	118,981
Insurance	3,415	2,949
Repairs and maintenance	799	5,027
Telephone	7,951	7,924
Vehicle running expenses	-	2,676
Vehicle lease charges	591	4,543
Car allowance	55,654	50,243
Travelling expenses	4,513	14,427
Training and conferences	3,563	3,089
General expenses	15,271	14,007
Friends' groups' expenses	-	410
Payment processing fees	15,064	16,711
Fundraising staff costs	651,299	687,843
Recruitment	808	-
Investment management costs	27,748	32,257
	<u>884,661</u>	<u>1,053,479</u>
Attributable to:		
Unrestricted funds	884,661	1,053,479
Restricted funds	-	-
	<u>884,661</u>	<u>1,053,479</u>

9. EXPENDITURE ON TRADING ACTIVITIES

	2020	2020	2020	2019
	Unrestricted	Restricted	Total	Total
	funds	funds	funds	funds
	£	£	£	£
Hope House (Trading) Limited	19,222	-	19,222	34,376
Hope House (Lottery) Limited	437,726	-	437,726	781,849
Hope House Children's Hospices	1,595,535	-	1,595,535	1,539,930
	<u>2,052,483</u>	<u>-</u>	<u>2,052,483</u>	<u>2,356,155</u>

All expenditure on trading activities in 2019 was unrestricted.

The trade of Hope House (Trading) Limited is derived from the sale and purchase of merchandise (new goods) and the operation of the Retail Gift Aid scheme. Hope House (Lottery) Limited operates the lottery scheme.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

10. EXPENDITURE ON CHARITABLE ACTIVITIES

		2020	2019
	Notes	Total funds	Total funds
		£	£
Repairs and maintenance		81,410	105,564
Heat and light		64,501	68,072
Water charges		7,287	7,644
Printing, postage, stationery and IT		22,937	22,154
Housekeeping		21,631	19,616
Insurance		21,690	20,794
Telephone		19,007	21,244
Food and catering		32,329	46,959
Motor expenses		19,811	25,719
Vehicle lease charges		12,106	11,966
Car allowance		17,832	17,487
Travelling expenses		22,817	53,530
Training and conferences		23,718	52,627
Recruitment		882	4,260
General expenses		76,034	65,744
Nursing consumables		38,638	30,517
Medical cover		66,410	-
Family bereavement fund		750	750
Wages and salaries		3,888,374	4,079,285
Agency		7,360	8,850
Depreciation		281,832	286,086
Rent		22,917	24,333
		4,750,273	4,973,201
Share of support costs	11	721,751	727,979
Share of governance costs	11	11,328	10,166
		5,483,352	5,711,346
Attributable to:			
Unrestricted funds		3,541,771	4,767,539
Restricted funds		1,941,581	943,807
		5,483,352	5,711,346

All expenditure in 2019 and 2020 was attributable to hospice activities undertaken directly.

HOPE HOUSE CHILDREN'S HOSPICES
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NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2020

11. SUPPORT AND GOVERNANCE COSTS

	Notes	Total 2020 £	Total 2019 £
Support Costs			
Printing, postage, stationery and IT		19,120	20,401
Telephone		6,315	6,998
Water charges		574	773
Light and heat		2,240	2,515
Repairs and maintenance		10,245	10,298
General expenses		18,392	18,793
Vehicle running expenses		612	516
Vehicle lease charges		-	2,379
Travelling expenses		4,734	9,493
Car allowance		15,945	16,188
Training and conferences		1,335	4,895
Wages and salaries		560,121	548,733
Agency		-	100
Recruitment		8,343	5,367
Apprentice levy		10,905	11,183
Staff benefit scheme		18,795	17,395
Bank charges		16,475	14,965
Insurance		3,740	3,750
Rent and service charges		15,250	15,250
Irrecoverable VAT		8,610	17,987
		<u>721,751</u>	<u>727,979</u>
Governance Costs			
Audit fees		5,050	5,000
Trustees governance costs		3,179	2,106
Professional fees		3,099	3,060
		<u>11,328</u>	<u>10,166</u>
		<u>733,079</u>	<u>738,145</u>
Analysed between:			
Charitable activities	10	<u>733,079</u>	<u>738,145</u>

12. NET INCOME

	2020 £	2019 £
This is stated after charging:		
Depreciation of owned tangible fixed assets	318,196	338,202
Auditors remuneration – audit work	<u>6,250</u>	<u>7,000</u>

HOPE HOUSE CHILDREN'S HOSPICES

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NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2020

13. TRUSTEE'S REMUNERATION AND BENEFITS

During the year, no trustees received any remuneration (2019: £Nil). During the year, no trustees received any benefits in kind (2019: £Nil). During the year, no trustees received reimbursement of expenses (2019: £nil). Expenses totalling £180 (2019: £2,076) for travel were waived by trustees during the year. The charity incurred costs of £3,179 (2019: £2,106) in relation to the trustees that are compulsory for them to conduct their roles. These expenses include: indemnity insurance, CRB checks and safeguarding training.

14. STAFF BENEFITS

	Group		Charity	
	2020	2019	2020	2019
	£	£	£	£
Wages and salaries	5,218,792	5,231,791	5,144,235	5,183,336
Social security costs	441,625	456,462	435,419	450,831
Other pension costs	588,421	585,822	581,336	580,363
	<u>6,248,838</u>	<u>6,274,075</u>	<u>6,160,990</u>	<u>6,214,530</u>

The average monthly number of employees during the year was as follows:

	Group		Charity	
	2020	2019	2020	2019
	No.	No.	No.	No.
Hospice services	145	158	145	158
Fundraising and publicity	27	24	27	24
Support	16	16	16	16
Retail and Lottery	60	53	57	50
	<u>248</u>	<u>251</u>	<u>245</u>	<u>248</u>

The number of higher paid employees (excluding employer pension costs) was as follows:

	Group		Charity	
	2020	2019	2020	2019
	No.	No.	No.	No.
In the band £60,001 - £70,000	1	-	1	-
In the band £70,001 - £80,000	2	2	2	2
In the band £100,001 - £110,000	1	1	1	1
	<u>4</u>	<u>3</u>	<u>4</u>	<u>3</u>

The key management personnel of the group, comprise the trustees, the chief executive officer, director of fundraising, director of care, the commercial director plus the directors of the wholly owned subsidiaries. The total employee benefits of the key management personnel were £357,666 (2019: £412,201).

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NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2020

**2019 COMPARATIVES FOR THE STATEMENT OF
FINANCIAL ACTIVITIES**

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £
INCOME			
Donations and legacies	4,627,653	204,064	4,831,717
Income from trading activities	3,927,414	-	3,927,414
Income from charitable activities	-	916,523	916,523
Investment income	86,860	-	86,860
TOTAL INCOME	8,641,927	1,120,587	9,762,514
EXPENDITURE			
Expenditure on raising funds:			
Raising funds within the Charity	1,053,479	-	1,053,479
Expenditure on trading activities	2,356,155	-	2,356,155
Expenditure on charitable activities	4,767,539	943,807	5,711,346
TOTAL EXPENDITURE	8,177,173	943,807	9,120,980
NET SURPLUS/ (EXPENDITURE) FOR THE YEAR	464,754	176,780	641,534
Gains/(Losses) on revaluation of investments	303,653	-	303,653
Gross transfer between funds	37,991	(37,991)	-
NET MOVEMENT IN FUNDS FOR THE YEAR	806,398	138,789	945,187
Total funds at 1 January	11,232,242	-	11,232,242
TOTAL FUNDS AT 31 DECEMBER	12,038,640	138,789	12,177,429

HOPE HOUSE CHILDREN'S HOSPICES
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NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2020

15. TANGIBLE FIXED ASSETS

Group and Charity

	Freehold Property £	Other Property £	Plant and Equipment £	Motor Vehicles £	Totals £
COST					
At 1 January 2020	6,681,905	385,918	3,412,521	157,058	10,637,402
Additions	-	-	178,140	48,895	227,035
At 31 December 2020	<u>6,681,905</u>	<u>385,918</u>	<u>3,590,661</u>	<u>205,953</u>	<u>10,864,437</u>
DEPRECIATION					
At 1 January 2020	2,467,030	-	2,933,218	117,472	5,517,720
Charge for year	151,847	-	156,162	10,187	318,196
At 31 December 2020	<u>2,618,877</u>	<u>-</u>	<u>3,089,380</u>	<u>127,659</u>	<u>5,835,916</u>
NET BOOK VALUE					
At 31 December 2020	<u>4,063,028</u>	<u>385,918</u>	<u>501,281</u>	<u>78,294</u>	<u>5,028,521</u>
At 31 December 2019	<u>4,214,875</u>	<u>385,918</u>	<u>479,303</u>	<u>39,586</u>	<u>5,119,682</u>

Included in freehold property is freehold land at valuation of £608,106 (2019: £608,106), cost £608,106 (2019: £608,106) which is not depreciated.

Other property relates to the Bangor shop and a property owned in Criccieth.

Included in freehold property are £4,119 of restricted assets (2019: £4,119) for ongoing building improvements funded via restricted grants.

16. FIXED ASSET INVESTMENTS

Group – market value	Listed securities £	Cash and settlements pending £	Total £
At 1 January 2020	4,604,360	91,708	4,696,068
Additions	232,687	-	232,687
Disposals	(266,388)	-	(266,388)
Revaluations	116,244	-	116,244
Movement on cash account	-	96,964	96,964
At 31 December 2020	<u>4,686,903</u>	<u>188,672</u>	<u>4,875,575</u>

If the listed investments were recorded at historic cost they would be stated at £4,282,852 (2019: £4,151,904) in the group.

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NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2020

17. FIXED ASSET INVESTMENTS (CONTINUED)

	Listed securities	Cash and settlements pending	Shares in subsidiaries	Total
	£	£	£	£
Charity – market value				
At 1 January 2020	4,604,360	91,708	4	4,696,072
Additions	232,687	-		232,687
Disposals	(266,388)	-		(266,388)
Revaluations	116,244	-		116,244
Movement on cash account	-	96,964		96,964
At 31 December 2020	<u>4,686,903</u>	<u>188,672</u>	<u>4</u>	<u>4,875,579</u>

Group Investments at market value comprise:

	UK	Overseas	2020	2019
	£	£	£	£
Listed investments	3,126,412	1,560,491	4,686,903	4,604,360
Investment cash and settlements pending	188,672	-	188,672	91,708
At 31 December 2020	<u>3,315,084</u>	<u>1,560,491</u>	<u>4,875,575</u>	<u>4,696,068</u>

Charity investments at market value comprise:

	UK	Overseas	2020	2019
	£	£	£	£
Listed investments	3,126,412	1,560,491	4,686,903	4,604,360
Investment cash and settlements pending	188,672	-	188,672	91,708
Investment in subsidiaries	4	-	4	4
At 31 December 2020	<u>3,315,088</u>	<u>1,560,491</u>	<u>4,875,579</u>	<u>4,696,072</u>

Investment in subsidiaries:

Subsidiary	Company No.	Percentage shareholding	Class of shares	No of shares	Total value £
Hope House (Trading) Limited	02691088	100	Ordinary £1	2	2
Hope House (Lottery) Limited	05066936	100	Ordinary £1	2	2
					<u>4</u>

The wholly owned trading subsidiaries, Hope House (Trading) Limited and Hope House (Lottery) Limited are incorporated in the United Kingdom. They both have the registered office of Nant Lane, Morda, Oswestry, Shropshire, SY10 9BX. Hope House (Trading) Limited and Hope House (Lottery) Limited distribute all of their profits to the Charity under Deed of Covenant.

The assets and liabilities of the subsidiaries were:

	Hope House (Trading) Limited		Hope House (Lottery) Limited	
	2020	2019	2020	2019
	£	£	£	£
Current assets	3,281	2,373	1,586,828	450,689
Current liabilities	(1,712)	(804)	(1,581,961)	(445,822)
Aggregate share capital and reserves	<u>1,569</u>	<u>1,569</u>	<u>4,867</u>	<u>4,867</u>
Net income from trading activities	<u>44,758</u>	<u>60,956</u>	<u>1,424,489</u>	<u>926,623</u>

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NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2020

18. STOCKS

	Group		Charity	
	2020	2019	2020	2019
	£	£	£	£
Good for resale	<u>12,760</u>	<u>6,876</u>	<u>10,902</u>	<u>4,891</u>

The 2019 comparatives for the group have been amended to reflect scratchcard stock of £1,985 previously disclosed in other debtors.

19. DEBTORS

	Group		Charity	
	2020	2019	2020	2019
	£	£	£	£
Amounts owed by group undertakings	-	-	1,463,737	268,036
Other debtors	1,848,729	1,618,569	1,848,733	1,616,540
Prepayments	<u>133,151</u>	<u>109,473</u>	<u>133,146</u>	<u>109,473</u>
	<u>1,981,880</u>	<u>1,728,042</u>	<u>3,445,616</u>	<u>1,994,049</u>

20. CREDITORS: Amounts falling due within one year

	Group		Charity	
	2020	2019	2020	2019
	£	£	£	£
Trade creditors	56,323	78,970	50,385	45,476
Other taxation and social security	166,646	162,232	166,646	162,232
Accruals and deferred income	<u>273,064</u>	<u>385,065</u>	<u>159,065</u>	<u>239,968</u>
	<u>496,033</u>	<u>626,267</u>	<u>376,096</u>	<u>447,676</u>

Included within creditors is deferred income totalling £197,337 (2019: £309,441) in the group and £90,238 (2019: £170,969) in the charity. Deferred income in Hope House Children's Hospices is recognised in respect of grants where the performance agreement runs across multiple periods. Deferred income is recognised in Hope House (Lottery) Limited where players place money on account in advance of being drawn. The deferred income recognised in 2019 has been subsequently recognised as income in 2020.

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NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2020

21. STATEMENT OF FUNDS

Group	Funds at 1 Jan 2020 £	Income £	Expenditure £	Transfers in/out £	Gains / (Losses) £	Funds at 31 Dec 2020 £
DESIGNATED FUNDS						
Workforce management	100,000	-	-	-	-	100,000
Service development	481,000	-	-	(281,000)	-	200,000
Investment in fundraising	-	-	-	187,000	-	187,000
Business continuity	4,100,000	-	-	275,000	-	4,375,000
	<u>4,681,000</u>	<u>-</u>	<u>-</u>	<u>181,000</u>	<u>-</u>	<u>4,862,000</u>

GENERAL FUNDS

General funds – all funds	7,357,640	8,208,886	(6,478,915)	(25,219)	116,244	9,178,636
Total unrestricted funds	<u>12,038,640</u>	<u>8,208,886</u>	<u>(6,478,915)</u>	<u>155,781</u>	<u>116,244</u>	<u>14,040,636</u>

RESTRICTED FUNDS

Restricted funds – all funds	138,789	2,031,614	(1,941,581)	(155,781)	-	73,041
Total funds	<u>12,177,429</u>	<u>10,240,500</u>	<u>(8,420,496)</u>	<u>-</u>	<u>116,244</u>	<u>14,113,677</u>

Charity	Funds at 1 Jan 2020 £	Income £	Expenditure £	Transfer s in/out £	Gains / (Losses) £	Funds at 31 Dec 2020 £
DESIGNATED FUNDS						
Workforce management	100,000	-	-	-	-	100,000
Service development	481,000	-	-	(281,000)	-	200,000
Investment in fundraising	-	-	-	187,000	-	187,000
Business continuity	4,100,000	-	-	275,000	-	4,375,000
	<u>4,681,000</u>	<u>-</u>	<u>-</u>	<u>181,000</u>	<u>-</u>	<u>4,862,000</u>

GENERAL FUNDS

General funds – all funds	7,351,209	7,754,984	(6,025,013)	(25,219)	116,244	9,172,205
Total unrestricted funds	<u>12,032,209</u>	<u>7,754,984</u>	<u>(6,025,013)</u>	<u>155,781</u>	<u>116,244</u>	<u>14,034,205</u>

RESTRICTED FUNDS

Restricted funds – all funds	138,789	2,031,614	(1,941,581)	(155,781)	-	73,041
Total funds	<u>12,170,998</u>	<u>9,786,598</u>	<u>(7,966,594)</u>	<u>-</u>	<u>116,244</u>	<u>14,107,246</u>

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NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2020

21. STATEMENT OF FUNDS (CONTINUED) 2019 COMPARATIVES

Group	Funds at 1 Jan 2019 £	Income £	Expenditure £	Transfers in/out £	Gains / (Losses) £	Funds at 31 Dec 2019 £
DESIGNATED FUNDS						
Workforce management	100,000	-	-	-	-	100,000
Service development	153,202	-	-	327,798	-	481,000
Business continuity	4,350,000	-	-	(250,000)	-	4,100,000
	4,603,202	-	-	77,798	-	4,681,000
GENERAL FUNDS						
General funds – all funds	6,629,040	8,641,927	(8,177,173)	(39,807)	303,653	7,357,640
Total unrestricted funds	11,232,242	8,641,927	(8,177,173)	37,991	303,653	12,038,640
RESTRICTED FUNDS						
Restricted funds – all funds	-	1,120,587	(943,807)	(37,991)	-	138,789
Total funds	11,232,242	9,762,514	(9,120,980)	-	303,653	12,177,429
Charity	Funds at 1 Jan 2019 £	Income £	Expenditure £	Transfers In/out £	Gains / (Losses) £	Funds at 31 Dec 2019 £
DESIGNATED FUNDS						
Workforce management	100,000	-	-	-	-	100,000
Service development	153,202	-	-	327,798	-	481,000
Business continuity	4,350,000	-	-	(250,000)	-	4,100,000
	4,603,202	-	-	77,798	-	4,681,000
GENERAL FUNDS						
General funds – all funds	6,622,608	7,830,242	(7,365,487)	(39,807)	303,653	7,351,209
Total unrestricted funds	11,225,810	7,830,242	(7,365,487)	37,991	303,653	12,032,209
RESTRICTED FUNDS						
Restricted funds – all funds	-	1,120,587	(943,807)	(37,991)	-	138,789
Total funds	11,225,810	8,950,829	(8,309,294)	-	303,653	12,170,998

21. STATEMENT OF FUNDS (continued)

DESIGNATED FUNDS

Workforce Management Fund

The trustees are conscious that the Charity must operate with an appropriately skilled workforce and are very aware of their responsibilities to its employees. Funds are therefore held and designated in a Workforce Management Fund to accommodate the cost of ensuring sufficient skilled capacity across the organisation.

Changes in service delivery (particularly increased digital delivery) may result in some staff not having the necessary skills to work effectively. If unable to retrain and gain skills at the required level of competence, then this fund allows the organisation to discharge its obligation to those staff not able to maintain the high standards of delivery due to circumstances beyond their control.

Payment from this fund can only be considered in cases where benefit to both the employee and the organisation can be demonstrated.

Service Development Fund

Fundraising

There is good evidence to support the case for investment in fundraising. Returns are generally significantly better than bank investments for slightly higher risk and we can flex investment in fundraising, increasing it when the returns look good and decreasing when not.

To achieve the desired levels of growth, it is proposed that the investment in fundraising is increased to 24% of total voluntary income by 2024. Reserves are designated to support this investment if required.

Care

In December 2019, the Board approved a new Care Strategy. Investment to pump prime and redesign services to drive delivery was planned in 2020 but this was deferred to focus on managing through the Coronavirus Pandemic. This investment is again planned for 2021 with a reserve fund designated if required.

Business Continuity Fund

To manage income shortfalls

Analysis has identified and assessed the risk to the income received by the organisation from various sources. Reserves are held to ensure service continuity if this income falls short of forecast, allowing time to either restore this income or reduce costs accordingly.

To adjust costs

A reserve has been designated for costs associated with restructuring the charity to reduce costs in the event of income not meeting forecast. This fund would be used primarily to meet the cost of reducing the workforce.

Catastrophic event

Through a risk management process, we seek to rationalise, quantify and avoid catastrophic events occurring and insure against those risks that cannot be removed. However, there is always the potential of an event occurring. Clearly it is impossible to quantify a catastrophic event but it is prudent to designate a reserve fund to mitigate the impact or to aid recovery should such an event occur. Therefore funds held above the those designated are held for catastrophic events.

The Coronavirus pandemic was a catastrophic event and in April 2020 the Board of Trustees agreed that, if required, funds could be drawn down from this reserve to meet increased costs to mitigate the impact of lost income. Despite the impact that national restrictions had on our traditional income streams in 2020, cost management, creative fundraising, and Government funding have allowed this reserve fund to be maintained, however, the impact of the pandemic continues to be felt in 2021 and the reserve may yet be required

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FOR THE YEAR ENDED 31 DECEMBER 2020

22. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2020	Restricted funds 2020	Total funds 2020
Tangible fixed assets	5,024,402	4,119	5,028,521
Fixed asset investments	4,875,575	-	4,875,575
Current assets	4,636,692	68,922	4,705,614
Creditors due within one year	(496,033)	-	(496,033)
	<u>14,040,636</u>	<u>73,041</u>	<u>14,113,677</u>

	Unrestricted funds 2019	Restricted funds 2019	Total funds 2019
Tangible fixed assets	5,115,563	4,119	5,119,682
Fixed asset investments	4,696,068	-	4,696,068
Current assets	2,853,276	134,670	2,987,946
Creditors due within one year	(626,267)	-	(626,267)
	<u>12,038,640</u>	<u>138,789</u>	<u>12,177,429</u>

23. PENSION COMMITMENTS

The Charity makes contributions to certain pension schemes for its employees. The assets of these schemes are held separately from those of the Charity in independently administered funds. The pension cost charge represents contributions payable by the group to the fund amounted to £588,421 (2019: £585,822). Charges payable by the Charity amounted to £581,336 (2019: £580,363).

HOPE HOUSE CHILDREN'S HOSPICES
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2020

24. OPERATING LEASE COMMITMENTS

At 31 December 2020 the total commitments under non-cancellable operating leases as follows:

	Land and Buildings		Other	
	2020	2019	2020	2019
	£	£	£	£
Group and Charity				
Expiry date:				
Within 1 year	393,298	316,007	13,614	18,105
Between 1 and 2 years	291,000	203,917	11,702	10,425
Between 2 and 5 years	537,750	361,583	13,112	3,766
After more than 5 years	16,521	31,771	-	-
	<u>1,238,569</u>	<u>913,278</u>	<u>38,428</u>	<u>32,296</u>

During the year operating lease charges were recognised as rent expenses in the following; the cost of operating the charity shops £355,719 (2019: £324,119); hospice activities undertaken directly £22,917 (2019: £24,333); support costs £15,250 (2019: £15,000).

During the year operating lease charges were recognised as vehicle lease expenses in the following; raising charitable donations £591 (2019: £4,543); cost of operating charity shops £20,990 (2019: £18,129); hospice activities undertaken directly £12,106 (2019: £11,966); support costs £nil (2019: £2,379).

25. RELATED PARTY TRANSACTIONS

During the year some of the members of staff of all group entities made donations to the Charity and played the lottery run by Hope House (Lottery) Limited. All these transactions were conducted under normal commercial terms.

A policy exists to prohibit the directors of Hope House (Lottery) Limited, trustees of Hope House Children's Hospices, and senior managers and employees directly involved in the running of the lottery, from taking part in the lottery.

Trustees and their related companies made donations to the charity totalling £41,185 (2019: £35,680).

Hope House (Trading) Limited and Hope House (Lottery) Limited are 100% owned subsidiaries of Hope House Children's Hospices.

Included in other debtors with the Charity are the intercompany balances of £1,712 (2019: £804) and £1,462,026 (2019: £267,232) owing from Hope House (Trading) Limited and Hope House (Lottery) Limited respectively. All the profits of the subsidiaries for the period have been distributed by Gift Aid to the Charity. The profits for the year totalled £44,758 (2019: £60,956) for Hope House (Trading) Limited and £1,424,489 (2019: £926,623) for Hope House (Lottery) Limited.

Hope House (Trading) Limited charged £3,046 (2019: £4,540) to Hope House Children's Hospices for operating the gift aid scheme on the sale of new goods.

26. ULTIMATE CONTROLLING PARTY

The charity is controlled by the trustees.

