TY HAFAN

England & Wales · Charity number 1047912

Details

Other names	TY HAFAN - THE FAMILY HOSPICE FOR YOUNG LIVES
Status	Registered
Legal form	Charitable company
Company number	03077406
Registered	1995-07-12
Register	View on the Charity Commission register

Contact

Address	Ty Hafan Hayes Road Sully Penarth CF64 5XX
Phone	02920532265
Email	jason.foster@tyhafan.org
Website	www.tyhafan.org

Activities

Objects: TO PROMOTE THE RELIEF OF ILLNESS AND SUFFERING AMONGST CHILDREN AND YOUNG PEOPLE, AND IN PARTICULAR IN WALES AND ADJACENT AREAS.

Activities: Ty Hafan aims to offer a high standard of free care and support to the families of children in Wales who are expected to die in childhood.

Classification

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

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Geography

- Throughout Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£12,412,302	£11,516,832	£20,832,751	212
2024-03-31	£10,398,051	£10,461,529	£19,887,818	191
2023-03-31	£9,722,442	£9,446,725	£18,796,758	194
2022-03-31	£8,793,888	£8,924,033	£19,147,961	205
2021-03-31	£9,157,070	£8,527,720	£18,718,536	213

Trustees

Name	Role	Appointed
Dr Simon Keith Holgate	Chair	2017-04-20
Dr Graham John Shortland		2024-07-31
Dr Paul George Jenkins		2024-07-31
Dr Sara Helen Matthews		2021-01-19
James Alexander Pepper		2020-04-09
John Patrick Hoskinson		2022-06-30
Katherine Emma Carr		2026-01-14
Matthew Laurence Sinnott		2023-08-02
Michael Patrick McGuire		2021-01-19
Paul Islwyn Thomas		2026-01-14
Richard Mark Pitt		2026-05-20
Samuel Matthew Stewart Stensland		2026-01-14
Sian Margaret Thomas		2019-05-29
Susan Elizabeth Cooper		2023-02-03

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TY HAFAN

England & Wales - Charity number 1047912

Accounts

Docusign Envelope ID: 180E82E3-815A-4A1C-8C9A-90BC7FDA3190



Annual Report and Financial Statements For the year ended 31 March 2025

Tŷ Hafan

CHILDREN'S HOSPICE
HOSBIS I BLANT

www.tyhafan.org

Registered Charity No. 1047912
Company No. 3077406

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When a child's life will be short, no family should have to live it on their own.

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1. Trustees' Statement

The trustees confirm that their annual report and the accounts of the Charity and its subsidiaries for the year ending 31 March 2025, have been prepared in accordance with:

- the Companies Act 2006
- the Charities Act 2011
- Tŷ Hafan's Articles of Association
- The Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102).







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2. Chair's introduction

Tŷ Hafan exists solely to benefit children with life-shortening conditions and their families in Wales. As we commemorate twenty-six years since our charity was established, we find that the need for the support and services we offer has never been greater. We remain passionately committed to being there for every child who needs us, where and when they need us, and in doing so, we must ensure that we are agile and innovative in how we deliver our services.



The range of support we provide is broad, encompassing palliative care and symptom management, play and therapy events, emotional support, "stay and play" hubs, specialist sibling support, and much more. We offer end-of-life care and bereavement support and remain there for families for as long as they need us.

We are honoured that The Princess of Wales became patron of Tŷ Hafan in 2025. Her Royal Highness took over the patronage from King Charles III, who has been a loyal patron of Tŷ Hafan since 2001. The Princess will be an inspiration for children with life-shortening conditions and their families, our dedicated staff and volunteers and everyone who so generously supports us.

This year has seen an increased focus on reaching children and families where and when they need us most: at home, in hospital, or in their local community, as well as at our hospice building. Wherever the delivery of care and support takes place, our aim is to ensure that a short life is a full life, and services are tailored to meet the individual needs of the child and family.

The work of Tŷ Hafan is made possible through generous donations from the public, who support us in various ways, such as participating in events, playing our popular lottery, making monthly donations, or shopping in our charity shops. The funding necessary to provide our services is derived almost entirely from the income we generate, the fundraising efforts of our supporters, the generosity of our major donors, the contributions and pro-bono support from individuals and business partners, and grants from charitable trusts and foundations.



As our care services continue to expand, we wish to extend our sincere gratitude to all members of staff. Your unwavering commitment, professionalism, and compassion

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remain the cornerstone of our success. We especially acknowledge and warmly welcome new colleagues who have joined us during this period of growth. Together, your contributions ensure the highest standards of care and support for those we serve.

A special note of gratitude is extended to our steadfast band of committed volunteers who support every aspect of our activities. They help in a wide array of ways including maintaining the hospice grounds for the pleasure of the children and families, underpin our fundraising efforts with a wide range of support, and without whom our retail network would grind to a halt.

We believe that no family should have to face the unimaginable loss of their child alone. There is much to do to ensure we achieve our bold ambition, but when we do, it will be as a direct result of the ongoing generosity and support provided by our supporters and the dedication of our staff.

Signed by:
keith Holgate
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Dr Keith Holgate

Chair

19-Dec-2025



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3. Tŷ Hafan, Being There - personalised care and support

Tŷ Hafan offers specialist care and support for children and young people living with life-shortening conditions and their families across Wales. As the children and young people referred to the service are not expected to live beyond 18 years of age, we focus all we do on ensuring a short life is a full life. The support provided is personalised and lifelong. For families, the support extends into bereavement.

Unlike adult hospices where the needs of the adult are often sudden onset, medium to high intensity and short duration, the care and support needs of children and families are more typically for an extended duration, often lasting many years. Many children with a life-shortening condition are diagnosed at birth or in early childhood and live for many years with a range of increasingly complex medical needs.

Families live with the expectation that their child is likely to die and often face into multiple instances of potential end-of-life care. This emotional rollercoaster, alongside the exhausting realities of caring, can prove overwhelming for families.



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Tŷ Hafan supports a range of referrals spanning the life journey of a child and family:

- ante-natal referrals (where a complex life-shortening condition is diagnosed before the child is born)
- neonatal referrals (where a baby is born and is not expected to survive more than a short number of days or weeks)
- referrals from the point at which a life-shortening condition is identified, for families to access a wide range of practical, therapy and emotional support services delivered both locally and at the hospice site
- referrals for the management of specific symptoms as an alternative to a hospital admission
- referrals for end-of-life care.

Tŷ Hafan's multi-disciplinary care services team includes a consultant, specialist nurses, therapists, family support and play professionals. They work in collaboration with the specialist paediatric palliative care teams and local health board teams to deliver child and family focused palliative care and support. The service model is built on providing the right support, at the right time and in the right place, delivered by the right person or service.

Our service seeks to provide seamless support that flows across organisational and geographical boundaries. The Tŷ Hafan hospice in Sully offers a tranquil experience for families and features bespoke medical equipment, a specialist playground, sensory aids and a hydrotherapy pool. We also offer a range of non-clinical services in the home and in the community, reflecting a greater focus on family wellbeing and care closer to home.



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As the needs of children and families change over time, we re-shape our care and support striving to make it available for families when and where it is needed most. Our care is always holistic, focusing on physical, emotional, social, and spiritual needs.

Families live each day with the reality of knowing their child may die young. Our unique understanding of how this impacts every part of their life shapes the care we provide. In all cases, this is tailored and heartfelt and designed to meet the individual needs of a child and family.

Such long periods of illness and extended uncertainty inevitably place a huge strain on family life, so our support is inclusive, encompassing the wider family including parents and siblings. Our support continues after the death of a child, and we are there for bereaved families for as long as they need us.



Care at Tŷ Hafan's hospice

The specialised nursing and clinical care offered at the hospice is agile and targeted to children and families most in need. We are committed to ensuring that any family wishing to access the hospice for end-of-life care is able to do so and have configured our resourcing to facilitate these (often very short notice) requests. We have seen demand for our compassionate and specialist end of life care increase over the last year and this type of support accounts for a significant amount of our overall care offer. Alongside this we provide a robust symptom management stay offer, supporting children and their families when there is a concern about how well a child's symptoms are being controlled. The increased demand on these specialist services has inevitably impacted on the availability of more routine respite stays. Families are still able to access respite either via a crisis request or by using our short notice offer and as our staffing resource is strengthened our ability to offer increased access to respite improves. We acknowledge the importance of access to timely and appropriate respite care support for families living with the complexities of a child with a life-shortening condition and continue to advocate on behalf of families to improve access to statutory sources of support.

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The hospice building hosts spaces and resources which we offer for the use of families on a drop-in basis as well as the offer of regular hospice-based play and therapy events that provide opportunities for families to access a range of support. These spaces include a hydrotherapy pool, sensory rooms and indoor and outdoor play facilities.

Support at or closer to home

An increased focus on family and wellbeing services is reflected in the expansion of the scope and diversity of services delivered at home or closer to home. Through talking with families, we have come to understand how shorter and more local interventions, delivered more frequently, can make a big difference. We recognise that due to our large catchment area (covering South, West, and Mid-Wales) some families find travel to the hospice site unmanageable, so increasingly we are finding ways to take much needed support services to them in their local communities.

The majority of children living with life-shortening conditions live their lives in their local communities. By extending our services into homes and communities, families can receive care and support in a more adaptable manner. Local services tend to be more accessible, causing less disruption to the family's daily routine, and assist the whole family to be involved.



Families can select from a range of services that include in-person visits at home or accessing services in community hubs and events across our geographical area.

Our 'stay and play' hubs offer meaningful play and engaging activities for children closer to home. Staffed by our experienced family support, play and therapies team, the hubs provide a space for fun and diverse play in an environment that encourages children to share experiences alongside one another. For parents, it is an opportunity to engage in peer support, learn from one another, and exchange experiences. Moreover, it provides a dedicated period to focus on their own wellbeing, allowing access to complementary therapies and family support services.

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Care in hospitals

The children we help receive care and support across various settings. We collaborate to ensure our services integrate with hospitals and organisations, to complement the services they offer.

When a child with a life-shortening condition is admitted to hospital, it usually means the child has become more unstable, or a sudden deterioration has occurred. Tŷ Hafan's services work with hospital-based care teams, enhancing the support and providing families a trusted and familiar point of contact at a time when life may feel out of control. In the final days and weeks, our teams will be alongside the family, exploring their wishes for end-of-life care, including arranging a transfer to the hospice if the child, young person or family prefers. New roles have been introduced over the last year to strengthen this support offer to families being cared for in the paediatric and neonatal intensive care units.

Fostering connections and strengthening self-support

Tŷ Hafan creates a feeling of community that ensures families feel more supported through shared experiences. Many of the families supported by Tŷ Hafan live with the fact that their child's condition is so rare that few other families can understand what this feels like. One way of achieving this has been through a network of 'closed' Facebook groups – an online community of people learning from each other, accessing information, and providing mutual support when things feel tough. This vital service is available for mums, dads, siblings, and our 'squad' of older young people who no longer access Tŷ Hafan's residential services but want to stay in touch with their friends.

Emotional support around the clock

Caring for a child with a life-shortening condition is exhausting for families who have little time to rest while fulfilling their role as parent carers with skill and expertise. Our skilled family support team, comprising of family support workers and family support practitioners, is available every day of the year. They provide support in family homes, over the telephone, via video enabled technology, and through one-to-one sessions at the hospice and in local communities. When coping feels overwhelming, they are often the team that identifies the need for additional support.

Support for siblings

The siblings of children with life-shortening conditions face unique challenges themselves. Tŷ Hafan offers specialist support that recognises the impact of this, the impact on their own childhood, a sense of isolation and loss. We help provide them with opportunities to understand and express their thoughts and feelings as well as develop mechanisms to help them cope and thrive. Sibling support is age appropriate and flexes to meet needs over a lifetime of support. Support is offered at the hospice and closer to home on a one-to-one

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basis as well as groups. We help these children enjoy their time with their parents and siblings, devote time to their own wellbeing, and cope with bereavement and beyond.

Practical support

Studies show that the families we meet are more likely to face financial difficulties and find it difficult to access additional support. The role of Tŷ Hafan in signposting and advocating for families in this context is crucial. We use our voice whenever and wherever it is needed to enable the challenges experienced by families to be better understood, and to help identify solutions to make these unfairly difficult lives a little easier. We provide targeted financial support to help overcome barriers to care.

Transition care and support

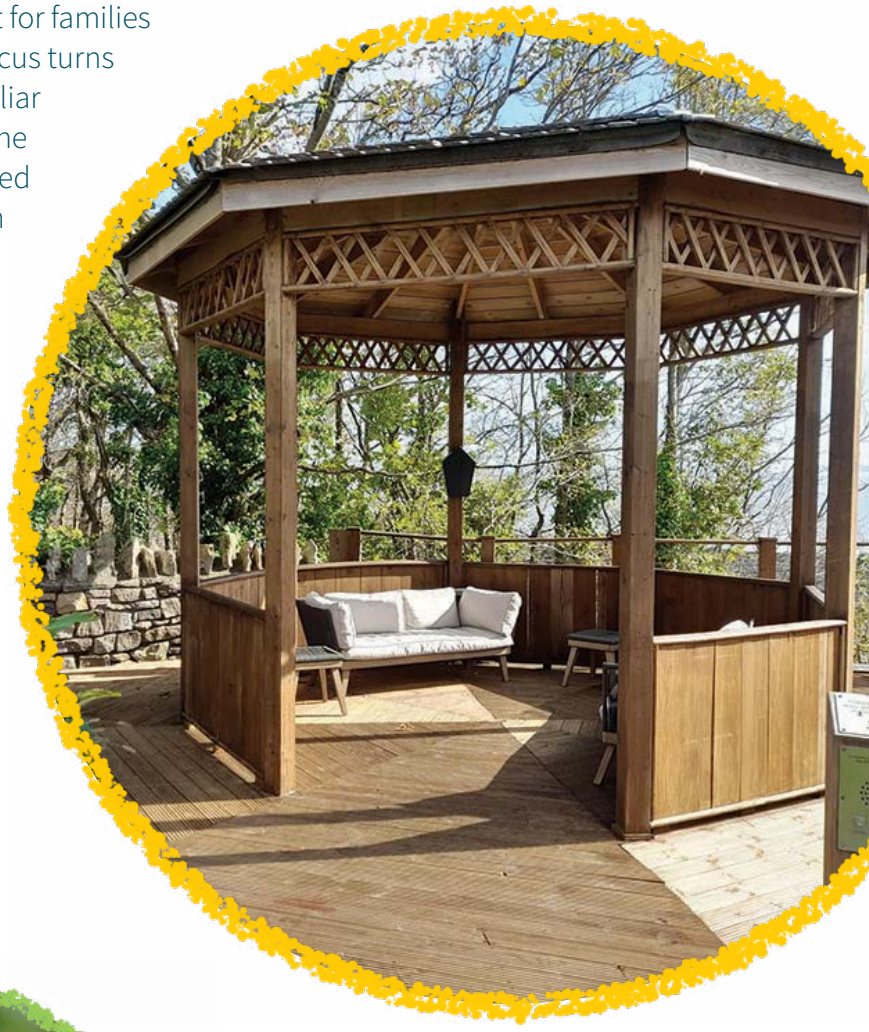
When a young person expected to die in childhood approaches their 18th birthday, there will be cause for celebration, but this is often accompanied by anxiety as they begin the transition from children's services to adult services. Some families describe this time as a 'cliff edge' as they move away from all that is familiar and need to form new relationships with adult services. Tŷ Hafan provides a range of individualised services to make this experience less daunting. A paediatric palliative care consultant and a specialist nurse work across organisational boundaries in collaboration with adult hospices and other specialist teams so that the young person and their family feel safe and supported. Recognising the need for young people to have social opportunities to engage with peers is another important focus for transition support. The team facilitates a number of social events for these young people and for their parents who are also learning to navigate new relationships with their adult children.



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Bereavement care

Tŷ Hafan continues to provide support for families after bereavement. At this point our focus turns to supporting families with the unfamiliar experience of bereavement and with the immediate practical decisions they need to make. This support is designed with the individual needs of families in mind but also includes opportunities for families to come together to remember their children through dedicated events and remembrance services. Bereavement is experienced uniquely, and we are here for families for as long as they need us. Families are always welcome back to the hospice, where children are remembered in memorial services in our memorial pebble garden and by our unique Birdsong installation.





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4. Key facts

477
Number of families supported throughout the year (including young people 18+)

437
Number of additional families offered bereavement support through the year

1008
Number of respite nights provided

280
Number of end-of-life care and symptom management bed nights provided

11,500
Number of community interventions







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5. Public benefit, vision, purpose, and strategic objectives

Having taken Charity Commission guidance into consideration, the board is confident that our Charity meets the public benefit requirements outlined within the Charity Act 2011, and that our activities are consistent with our aims and objectives.

We believe that the Charity's vision, mission and strategic objectives enable us to meet the public benefit requirements by delivering a broad range of services free of charge to our beneficiaries.

Vision

A Wales where every child with a life-shortening condition lives a fulfilling life, supported with the compassion and specialist care they and their family need.

Purpose

No family should have to face the unimaginable loss of their child alone. With children and families at the heart of all we do, we provide free care and support in our hospice and in the community, offering a lifeline throughout the child's short life, at end of life, through bereavement and beyond.



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Strategic objectives

Our strategic focus is on:

- **REACH** - Be there for every child who needs us, where and when they need us
- **QUALITY** - Deliver high quality and compassionate services that meet the needs of the children and families we support
- **PEOPLE** - Drive a values-based culture that attracts, retains and develops a diverse, skilled and engaged team of people
- **INCOME** - Sustain and grow a diverse range of income streams that meet our ambition.

Our values

We make a difference by:

- Demonstrating Compassion – We show empathy and respect to all, making time to listen to, and support others
- Working Together – We are one team, we consciously collaborate, and enable each other to contribute to our purpose
- Providing Excellent Service – We take pride in delivering on our commitments and are proactive in continuously improving our services
- Taking Ownership – We trust each other to deliver and are responsible for our own actions, seeking ways to reflect and learn.



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6. Fundraising



The financial year 2024/25 was a successful year for fundraising within the charity, thanks to the incredible generosity of our supporters and funders. Our amazing supporters continued to show how much they care about the children and families who need Tŷ Hafan's support.

In 2024/25 we received just 15% of our income from government sources. We continue to work with Welsh Government to try and secure a longer-term, more sustainable statutory funding settlement. We raised the majority of the remaining funds (£10.5 million in 2024/25) through voluntary fundraising activity. We are extremely grateful to all of our supporters who continued to show such generosity.

Legacy donations from people who remember Tŷ Hafan with a gift in their Will were the highest ever received by the Charity, totalling £2.9 million. This remains a poignant and incredibly important source of funds for Tŷ Hafan.

Fundraising events built on the successes seen in the previous year, with particular success coming from the Cardiff Half Marathon, where we had our largest ever team take part, and the Welsh 3 Peaks. We continued to see incredible fundraising efforts from the families we have supported and were thrilled to support the Bike Boat Boot fundraising challenge which saw a group of dads supported by Tŷ Hafan, cycle, kayak and walk from North to South Wales over four days, finishing at the hospice in Sully.

Individual supporters continued to help us by making one-off gifts or giving monthly and this remains a crucial and stable part of our fundraising activities.

Fundraising from businesses continued to see good levels of growth for Tŷ Hafan in 2024-25, with significant donations and fundraising activities from a range of sectors. We continue to focus on building mutually beneficial relationships with businesses – their support is vital in helping us to deliver our mission, but we also aim to play a key role in helping businesses to meet their strategic objectives too. 2024-25 saw the end of our three-year partnership with Principality Building Society which saw colleagues and customers raising over £750,000 for Tŷ Hafan and Ty Gobaith over the course of the partnership.

2024-25 also saw the return of Chefs Night Out, where 15 top chefs, including Michelin-star holders, gave their time, food and wine at the sold-out event. The event raised over £250,000 thanks to the generosity of guests and, of course, the chefs themselves.

Fundraising from community groups, organisations and institutions increased again in 2024-25 and we received support from friends groups, schools, universities and community groups all across south, mid and West Wales, as well as from individuals organising their

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own fundraising activities. In 2024-25, we launched two new products – Sing for Tŷ Hafan and Christmas Tree Collections alongside continuing Tea for Tŷ Hafan – which we hope will continue to engage new supporters in future years.

Alongside incredible support from the families we support, 2024-25 saw good engagement from Tŷ Hafan staff in fundraising activities, with special mention going to members of the care team who walked 25km to raise funds in our 25th year.



Income from trusts and foundations continued to grow in 2024-25, with greater focus on securing multi-year funding for key projects.

Our lottery and retail activities are key commercial activities that complement the generous financial support we receive from our donors. Crackerjackpot, our weekly lottery, provides a fun and sustainable way for supporters to contribute to our work with children and families across Wales. Our shops, supported by an extraordinary team of volunteers, not only generate vital income but also bring our cause into the heart of local communities, raising awareness and building lasting connections.

Fundraising practices

Registered with FUNDRAISING REGULATOR

Tŷ Hafan is registered with the Fundraising Regulator and is committed to the Fundraising Promise and adherence to the Fundraising Code of Practice.

In the course of fundraising, we will inevitably come into contact with people who may be in vulnerable circumstances, including the families of the children we support. Our Ethical Fundraising Policy outlines our commitment to engage carefully and sensitively with vulnerable people.



In 2024-25 we paid third party professional fundraisers to generate funds through regular giving and lottery. Professional fundraising agreements were in place with all third-party professional fundraisers which outlined our expectations that those fundraisers comply with the Code of Fundraising Practice. This included ensuring that solicitation statements were made by those fundraisers. We also received funds from local and national corporate partners who provided charitable contributions to us from the sale of their goods or services. For all of these partners, commercial participator agreements were in place.

We are continually looking for ways to improve Tŷ Hafan's fundraising practices and ensure we maintain high standards for fundraising at all times. Listening to and learning from complaints about fundraising is a crucial part of this process. In 2024-25 we received nine complaints directly related to our fundraising activities, and three related to retail, all of which were resolved. We were not subject to any complaint investigations through the Fundraising Regulator. We provide details of how to contact us, including our complaints policy and procedure on our website.

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7. Our People

Our strategic aim for our people (employees and volunteers) is to drive a values-based culture that attracts, retains and develops a diverse, skilled and engaged team of people. The ability to deliver and develop our services relies on the extensive skills, expertise, and commitment of our people.

Tŷ Hafan employs around 220 employees and over 500 volunteers who all contribute to the delivery of our vision, purpose and ambition. Without the dedication of our teams, we would not be able to provide the services we do to the children and families who need us.

Employees

In 2024/25 to support the delivery of our people aim we implemented a robust People and Culture Plan focused on four key areas:

- Effective management and leadership
- Excellent performance and talent development
- Creating a culture of positive engagement, attracting, and retaining the best people
- Valuing diversity, supporting inclusion and wellbeing.



A key priority during the year was to continue to grow our nursing and community team to support increasing our reach. Despite the shortage in the UK of paediatric nurses, we significantly increased our nurse team alongside introducing a number of additional roles within our wider care team.

Volunteers

Our volunteers contribute and support Tŷ Hafan in a variety of ways and roles across the Charity. They are integral to the Charity, and we would not be able to deliver the breadth or range of services without them.



In 2024/25, we continued to develop our volunteering resource at Ty Hafan by introducing exciting new roles and growing our volunteer base. We also put a consistent focus on ensuring those who volunteer for us feel they are engaged, making a valuable contribution, and have an overall positive experience with us. We developed a new strategy and plan for the year ahead to further grow and develop volunteering at Tŷ Hafan.

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Equity, diversity and inclusion

At Tŷ Hafan we are committed to fostering an environment where everyone feels valued and respected. We embrace equity, diversity and inclusion in all that we do, and recognise that we must continually look for ways to better understand and serve the diverse needs of our communities.

We believe that no person should be treated less favourably by any aspect of their identity, whether that be ethnicity, age, sex, gender, disability, religion or belief, partnership status, or sexual orientation. Instead, we aim to create a supportive and inclusive environment where respect and understanding is fostered, and the diversity of people's backgrounds and circumstances is positively recognised and valued.

We recognise the importance of EDI for our workforce and are passionate about creating a working environment where every individual can be themselves, experience a sense of belonging, and be empowered to achieve their full potential. We recognise that EDI is critical to a healthy and positive culture.

To support this in 2024/25 we developed and commenced a new two-year EDI strategy based on four strategic principles: developing diverse and inclusive leadership, recognising and celebrating diversity, increasing awareness and knowledge and driving inclusive recruitment and selection.







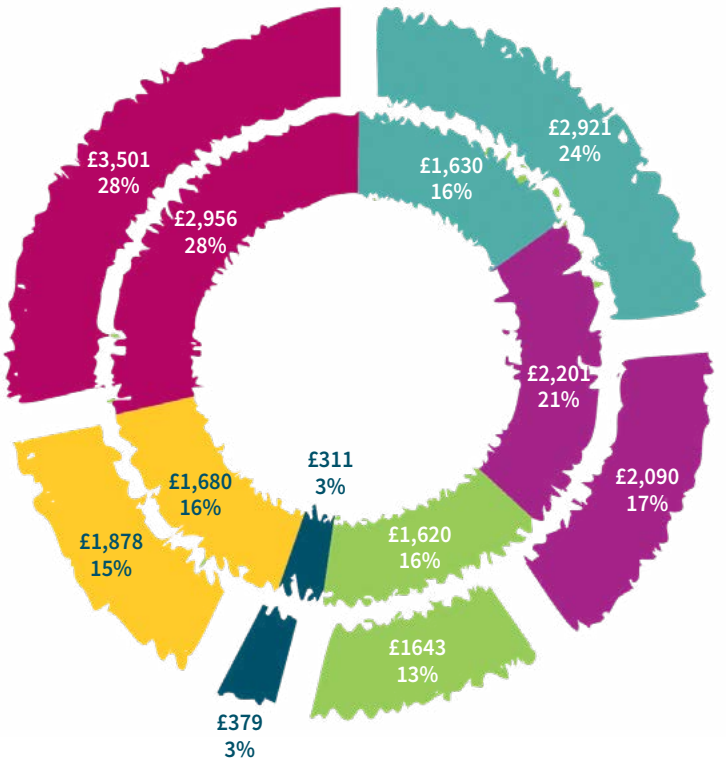
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8. Financial Review

Results for the year ended 31 March 2025 are shown in the Consolidated Statement of Financial Activities on page 29. This shows the financial results for Tŷ Hafan and its trading subsidiaries, Tŷ Hafan Trading Limited and Crackerjackpot Limited, which both donate their profits to the Charity.

Income

Total income received in 2024/25 was £12,412,302 (2023/24 £10,398,051). This represents a 19% increase from the previous year.



Where we received our income £'000

- Gifts in wills
- Retail
- Lottery
- Other income
- Govt Funding
- Fundraising

2024/25 - outer circle

2023/24 - inner circle

In 2024/25, we experienced income growth across all areas except retail, which saw a 5% decline. Fundraising and gifts in wills performed exceptionally well, with gifts in wills reaching record levels of receipts during the year. Additionally, we received a one-off payment of £736k from the Welsh Government, bringing their total contribution to £1.9m, inclusive of funding for commissioned services.

Summary of Government funding received:

Government Funding	2024/25 £'000	2024/25 % of total income	2023/24 £'000	2023/24 % of total income
Recurring	844	7%	818	8%
Commissioning	298	2%	322	3%
One off funding	736	6%	544	5%
	1,878	15%	1,684	16%

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Expenditure

Total expenditure in 2024/25 increased by £1,055,303 (+10%) to £11,516,832 (2023/24 £10,461,529). The highest increase in spend was in the provision of care of £712,359 (+12%) resulting from increased services provided at the hospice and in the community and the impact of the cost-of-living increase on our staff costs.

Five-year expenditure on charitable activities

Excluding our trading activity in retail and lottery, 78 pence of every pound of expenditure is spent on charitable activity. This is in line with our objective to ensure more of our donations are used directly on our beneficiaries.

Cashflow

Overall, in 2024/25 there was a net cash outflow of £202,629, decreasing the cash held to £586,300 as at 31 March 2025. There were no withdrawals from the investment portfolio during the year.

Reserves

The board considers the maintenance of unrestricted reserves as an essential safeguard to mitigate the risks faced by the Charity and their potential impact on income and planned expenditure. The Charity has a responsibility to give confidence to its beneficiaries that we can provide our services even during times of economic uncertainty.

The board has established the level of reserves using the methodology outlined in the Charity Commission guidance and has considered the level of required reserves based on the assets used in the Charity and the risks to the Charity and likelihood of an event occurring.

The reserves policy is reviewed and agreed each year by the board.

The Charity's reserves are detailed in note 22 and 23 of the accounts.

At 31 March 2025, the Charity held £11,508,444 in unrestricted free reserves (2023: £10,320,497). The reserves were broken down as follows:

Unrestricted free reserves have increased by £1,187,947 (+12%) during the year. Designated reserves have reduced by £167,117 (-2%) and include a provision for future planned deficits. Designated reserves also include the net book value of property owned by Tŷ Hafan.

	31/03/2025	31/03/2024
Net Assets	£20,832,751	£19,887,818
Less Designated Reserves	(£8,648,395)	(£8,815,512)
Less Restricted Reserves	(£675,912)	(£751,809)
Unrestricted Free Reserves	**£11,508,444**	**£10,320,497**

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Going concern

The Charity's financial position and performance has been outlined in the financial review above. The board has assessed projected future income, expenditure and cash flows, and analysed the strength of the Charity's reserves, liquid assets and its ability to withstand a material fall in income. Consideration has been given to the stability and diversity of various income streams in making this assessment.

The board has concluded that there is a reasonable expectation that Tŷ Hafan and its trading subsidiaries, Tŷ Hafan Trading Limited and Crackerjackpot Limited, have adequate resources to continue activities for the foreseeable future. Therefore, they have continued to adopt the going concern basis in preparing the financial statements.

Approach to financial investments

Decisions about the investment strategy and policy are governed by the finance with governance committee and approved by the board. The investment policy is reviewed annually by the board.

Tŷ Hafan's investment portfolio is managed by investment managers according to the board's instructions. The investment strategy is formally reviewed with our investment managers and finance with governance committee annually and more frequently when considered necessary.

Tŷ Hafan's investment risk appetite for its investment portfolio is consistent with a strategy of seeking to preserve and generate longer term capital growth and income ahead of the rate of inflation in order to grow the free reserves of the Charity. Tŷ Hafan does not depend on investment returns to fund its short-term operational requirements and is, therefore, able to tolerate short to medium term volatility of its investment portfolio.

The total value of the investment portfolio as at 31 March 2025 was £13,710,880 (2024: £13,369,313) representing an overall increase in value for the year of £341,567 (+3%, 2024: +7%).

During the year, there were no withdrawals from the portfolio (2024: £500,000).

The board recognises it has a responsibility to consider any ethical implications of its investments. This could lead to conflicting objectives between delivering the targeted returns and excluding certain investments that go against Tŷ Hafan's ethos and purpose.

It is, therefore, Tŷ Hafan's policy to use a negative screening approach avoiding investment in companies or sectors undertaking a particular activity or operating in a way which may be harmful to Tŷ Hafan's interests. This is reviewed annually alongside the investment policy review.

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9. Structure, governance and management

Tŷ Hafan is a registered charitable company limited by guarantee, which operates an independent hospice and runs a lottery. It is subject to company law, charity law, trust law and bound by legislation governing the safe delivery of healthcare. As a result of its activities, Tŷ Hafan is accountable to a range of regulators:

- the Charity Commission
- Healthcare Inspectorate Wales (HIW)
- the Fundraising Regulator
- the Gambling Commission



We're also registered with government departments e.g., HMRC, Companies House, local authority services and other bodies, e.g., ICO, usually governed by self-assessment of compliance with regulations and/or filing annual returns.

The board of directors is legally responsible for financial probity, legal and regulatory compliance, and the Charity's registration as a private voluntary hospice under the Independent Healthcare (Wales) Regulations 2011.

The board, as the accountable body, governs Tŷ Hafan through its constitution. Tŷ Hafan's Articles of Association, Scheme of Governance (including Standing Orders, Matters Reserved for Board, and Scheme of Delegation) and Statement of Purpose form the Charity's governance framework for implementing the Charity's strategic objectives, monitoring progress, and managing the Charity's activities effectively, honestly, prudently, safely, transparently, and without personal gain.

Trustee recruitment and development

A code of conduct ensures trustees continue to act within their designated authority to deliver the Charity's objectives for the long-term benefit of the Charity's beneficiaries. They are obligated to fulfil their duties, both individually and collectively, in alignment with the Charity's constitution and charity law.

In line with best practice and the Charity Governance Code, the board continuously seeks to augment the diversity of its skillset through a continuous succession plan.

Trustees are subject to an interview process, probationary period, due diligence checks and induction to ensure they become effective members of the board, working in the best interest of the Charity. Trustees play an engaged role, volunteering their time and support freely. They contribute the benefit of their professional expertise and collaborate to protect and develop the Charity in a heavily regulated environment.

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Trustees are eligible to serve a maximum tenure of eight years and can be proposed for re-election upon completion of their initial four-year term. The chair is eligible to serve 3 terms of 4 years. The board and senior executives of Tŷ Hafan are outlined in the 'reference and administrative details' section of the accounts.

Delegation

Specific authority is delegated to the chairman, committees, and the chief executive, however, the board retains ultimate accountability for the Charity's operations, financial integrity, adherence to legal and regulatory standards, and its independent hospital registration.

Setting the Charity's long-term objectives, the board entrusts the chief executive, responsible for operational functions, with translating these goals into a strategic framework and a business plan to be executed by the executive team.

The board oversees the Charity's management and convenes regularly to receive reports from its committees, executive directors, and the board's officers.

Committee Structure

The board benefits from the support of four standing committees, and various ad hoc committees, with specific remits to scrutinise the management of the Charity's operations. Each committee comprises a chair and members selected by the nominations committee, and executive directors act as advisors to the board. The standing committees are:

- Clinical governance committee, upholding excellence in clinical care by monitoring the quality of safeguarding and care service delivery
- Finance with governance committee examines financial, fiduciary and investment matters, as well as the Charity's governance arrangements
- Directorate and operations committee, which considers operational management and fundraising activity
- Remuneration committee reviews issues relating to staff financial compensation, and terms, conditions and benefits.

The nominations committee convenes as necessary to ensure the establishment of an efficient board responsible for governing the Charity with financial integrity and transparency. This committee scrutinises the composition and performance of the board, oversees rigorous recruitment and succession strategies, and verifies the board's adherence to the Charity's governing documents and policy framework.

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Pay structure

Ensuring fairness and equity in pay, the board maintains a transparent process for setting salaries within the Charity, considering affordability, economic indicators, and competitiveness. This involves an annual review that benchmarks each paid role within the Charity against similar positions in comparable organisations. Recommendations for annual pay awards are evaluated by the remuneration committee and, if endorsed, require approval from the board. Remuneration for the executive team, including the chief executive, is reviewed separately and approved by the board.

Subsidiary companies

As disclosed in note 16 to the financial statements, Tŷ Hafan owns two subsidiaries, Tŷ Hafan Trading Limited and Crackerjackpot Limited, which are independently governed and gift surplus funds to the Charity.



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10. Managing Risk and Uncertainty

Tŷ Hafan undertakes a wide range of activities, which includes the provision of specialist paediatric palliative care within a hospice environment, operating a chain of retail shops, organising fundraising and marketing activity, and delivering mass participation events activities, as well as delivering regulated gambling through the Charity's subsidiary, Crackerjackpot.

The extensive scope of these activities necessitates a comprehensive and methodical approach to risk and uncertainty to protect the Charity's people and resources while effectively achieving its charitable objectives.

Tŷ Hafan's risk management framework, as part of our risk management policy, is central to Tŷ Hafan's Scheme of Governance and is based upon the Charity Commission for England and Wales Charities Risk Management Guidance (CC26). The aim is to integrate the risk management policy in the Charity's business planning processes enabling trustees to comply with the regulatory requirement to publicly account for the effectiveness of the Charity's risk management processes.

Process of risk management

The Board has ultimate responsibility for risk management and must satisfy themselves that proper management of risks exist, through proper systems and procedures.

The Executive Team is accountable to the Board for the effective implementation of Tŷ Hafan's risk management framework, including the allocation of appropriate resources through the business planning cycle. This responsibility encompasses oversight of both the Corporate Risk Register and the organisation's Risk Policy.

As designated risk owners, the Chief Executive and Executive Team are also responsible for the ongoing, day-to-day management of risk across the organisation.

To fulfil this duty, the Executive Team conducts regular and rigorous reviews of the Corporate Risk Register as part of the Executive Governance and Risk Meetings. These meetings also serve as a platform for more detailed examination of specific risks, ensuring that robust control measures are in place and remain fit for purpose. In addition, these meetings will be used to provide a deeper dive into identified risks.

Each risk is accompanied by recommended actions, designated to an owner with the aim of reducing the likelihood of its occurrence or mitigating its potential consequences.

The Finance with Governance, and Directorate with Operations and Clinical Governance Committees routinely review and scrutinise their assigned risks as standing items on their agendas and are subsequently presented to the board for approval at least on a six-monthly basis.

In line with the Risk Management Policy the Board will receive a report on the Complete Corporate Risk Register at least once a year and will be alerted if any significant changes or escalations occur within year.

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Risk mitigation measures are central to the Charity's business plan while addressing external factors such as economic, environmental and geopolitical crises. This involves continuous assessment and adoption of additional management controls while reinforcing the Charity's governance structure.

The board is satisfied that risk management is regularly assessed to ensure that actions and controls are effective and ensure that the Charity remains compliant and works to best practice in caring for children and their families.

Tŷ Hafan is not aware of any principal uncertainties as at 31 March 2025, nor in the period before signing the annual report and accounts.



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11. Reference and administrative details

Registered Company Number	3077406
Registered Charity Number	1047912
Registered Office	Tŷ Hafan, Hayes Road, Sully, CF64 5XX
Auditors	Menzies LLP, Cardiff
Principal Solicitors	Lyons Davidson, Bristol
Principal Bankers	HSBC Plc, Cardiff, Barclays Bank, Cardiff
Investment Managers	RBC Brewin Dolphin Investment Managers

The Board

The following were appointed during the period or are currently registered as non-executive directors and trustees:

Martin Davies	Chairman of the board (Resigned 1st June 2025)
Dr Keith Holgate	Deputy Chair of the board (Appointed as Chair 1st June 2025)
Susan Cooper	Appointed 3 February 2023
John Hoskinson	Appointed 30 June 2022
Dr Helen Matthews	Appointed 19 January 2021
Mick McGuire	Appointed 18 January 2021
James Pepper	Appointed 9 April 2020
Matt Sinnott	Appointed 2 August 2023
Sian Thomas	Appointed 29 May 2019
Paul Jenkins	Appointed 14 August 2024
Graham Shortland	Appointed 14 August 2024

Chief Executive

Irfon Rees	Appointed as Chief Executive on 3rd June 2024
Jason Foster	Interim Chief Executive from 1st February 2024 – 1st June 2024

Executive Directors

The following were in post during the period:

Jason Foster	Director of Finance
Tracy Jones	Director of Family Wellbeing and Outreach Services
Jenna Lewis	Director of Income Generation and Marketing
Sian Middleton	Director of Nursing and Clinical Services
John Mladenovic	Director of Lottery and Retail
Zoe Tippins	Director of People Services

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12. Trustees' responsibilities in relation to the financial statements

The trustees (who are also the directors of Tŷ Hafan for the purposes of company law) are responsible for preparing the trustees' annual report and financial statements in accordance with applicable law and United Kingdom accounting standards (United Kingdom Accepted Accounting Practice).

Company law requires the charity trustees to prepare financial statements for each 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 the financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities SORPS
- 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 company will continue to operate.

The trustees are responsible for keeping adequate accounting records that disclose, with reasonable accuracy at any time, the financial position of the charitable company and 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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In so far as the trustees are aware:

- there is no relevant audit information (as defined by Section 418 of the Companies Act 2006), of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make them aware of any relevant audit information and to establish that the auditor is aware of that information.

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

Auditors

The Auditors Menzies LLP will be proposed for re appointment at the Annual General Meeting

Approval

This report was approved by the trustees as members of the charitable company on 19th November 2025 and was signed on their behalf by:

Signed by:
Keith Holgate
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Dr Keith Holgate

Trustee and Chairman of the Board

Date 19th November 2025



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13. Independent auditor's report

Opinion

We have audited the financial statements of Ty Hafan (the 'parent charitable company') and its subsidiaries ("the group") for the year ended 31 March 2025 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Charity Balance Sheets, the Consolidated Cash Flow Statement and the 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 parent charitable company's affairs as at 31 March 2025 and of its incoming resources and application of resources, including its result, 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 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'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.

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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 Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements and
- 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 group and the parent charitable 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 by the parent charitable company or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

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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 group's and parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable 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.

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:

Our planning procedures identify the legal and regulatory frameworks applicable to the operations and financial statements of the group. These are reviewed internally with the audit team including relevant industry experience and expectations as well as externally with the client management. The key laws and regulations we considered in this context were the Companies Act 2006, Charities Act 2011, FRS 102 and relevant tax legislation.

Once identified, we assess the risks of material misstatements in relation to the laws and regulations, irregularities, including fraud and adjust our testing accordingly. Our audit procedures include:

- Discussing with Trustees and management which areas of the business they believe to be more susceptible to fraud, and whether they have any knowledge or suspicion of fraudulent activities;

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- Obtaining an understanding of the key controls put in place by the group to address risks identified, assessing the effectiveness of those and discussing how these are maintained and monitored internally;
- Assessing the risk of management override and review and testing of journal entries made into the accounting system;
- Discussing with Trustees and management the legal and regulatory obligations of the business and whether they have any knowledge or suspicion of non compliance.

Despite the audit being planned and conducted in accordance with ISAs (UK) there remains an unavoidable risk that material misstatements in the financial statements may not be detected owing to inherent limitations of the audit, and that by their very nature, any such instances of fraud or irregularities likely involve collusion, forgery, intentional misrepresentation, or the override of internal controls.

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.

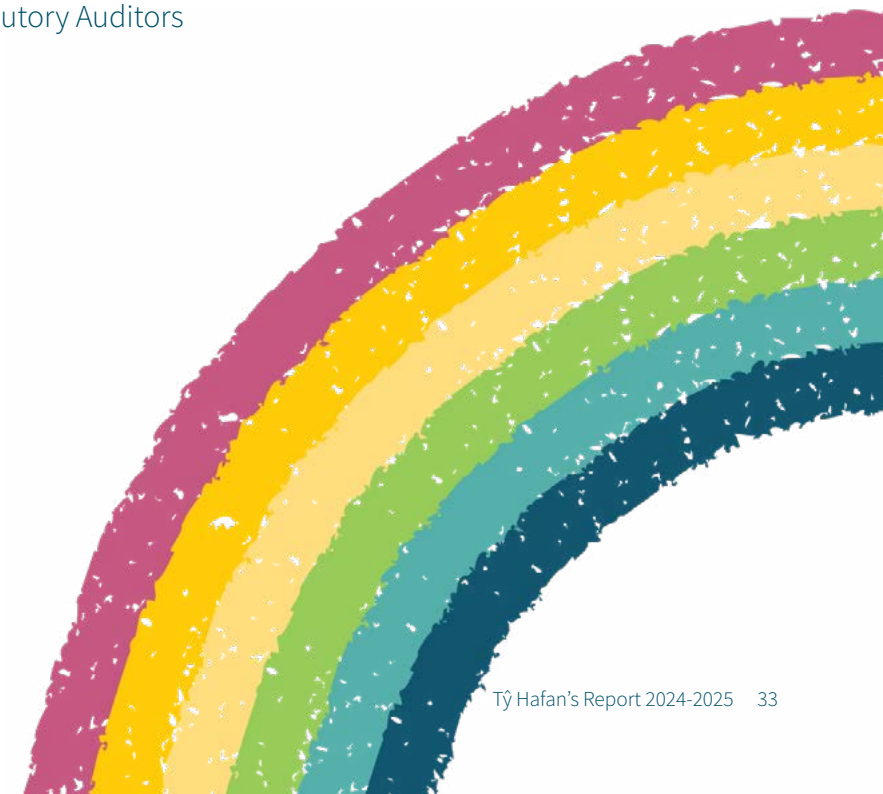
Use of our report

This report is made solely to the charitable company's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's trustees 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 trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Signed by:
Victoria Carter
[illegible]

Victoria Carter (Senior Statutory Auditor)
for and on behalf of Menzies LLP, Statutory Auditors
5th Floor Hodge House
114-116 St Mary Street
Cardiff
CF10 1DY

19-Dec-2025



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14. Tŷ Hafan Consolidated Statement of Financial Activities

(Incorporating the Consolidated Income and Expenditure Account) for the year ended 31 March 2025

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2025 £	Total Funds 2024 £
Income from:					
Donations and Legacies	2	**5,843,751**	**578,680**	**6,422,431**	4,586,172
Charitable Activities					
- Provision of Care	3	**1,894,375**	**-**	**1,894,375**	1,693,814
Other Trading Activities	4	**3,733,465**	**-**	**3,733,465**	3,820,705
Investments and other income	5	**362,031**	**-**	**362,031**	297,360
Total income		**11,833,622**	**578,680**	**12,412,302**	10,398,051
Expenditure on:					
- Trading Activities	6	**3,056,968**	**-**	**3,056,968**	2,981,834
Total income net of trading expenditure		**8,776,654**	**578,680**	**9,355,334**	7,416,217
Expenditure on:					
- Raising Funds	6	**1,814,246**	**-**	**1,814,246**	1,552,940
- Investment Management	6	**64,240**	**-**	**64,240**	57,736
Net income available for Charitable Activities		**6,898,168**	**578,680**	**7,476,848**	5,805,541
Charitable Activities					
- Provision of Care	7	**5,944,684**	**636,694**	**6,581,378**	5,869,019
Total Expenditure		**10,880,138**	**636,694**	**11,516,832**	10,461,529
Net income before gains/(losses) on investments		**953,484**	**(58,014)**	**895,470**	(63,478)
Net gains/(losses) on investments		**49,463**	**-**	**49,463**	1,154,538
Net Income / (Expenditure)		**1,002,947**	**(58,014)**	**944,933**	1,091,060
Gross transfers between funds	22	**17,883**	**(17,883)**	**-**	-
Net movement in funds		**1,020,830**	**(75,897)**	**944,933**	1,091,060
Reconciliation of Funds					
Funds balances brought forward	22	**19,136,009**	**751,809**	**19,887,818**	18,796,758
Fund balances carried forward	22	**20,156,839**	**675,912**	**20,832,751**	19,887,818

The consolidated statement of financial activities includes all gains and losses recognised in the year.
All incoming resources and resources expended derive from continuing activities

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Tŷ Hafan Group and Charity Balance Sheet

At 31 March 2025

	Note	2025 £ Group	2025 £ Charity	2024 £ Group	2024 £ Charity
Fixed assets					
Tangible Assets	15	**6,330,909**	**6,330,909**	6,154,838	6,154,838
Investments	16	**13,710,880**	**13,720,881**	13,369,313	13,379,314
		20,041,789	**20,051,790**	19,524,151	19,534,152
Current assets					
Stock	17	**6,687**	**-**	5,655	-
Debtors	18	**1,642,210**	**1,702,525**	1,482,208	1,630,974
Cash at bank		**586,300**	**351,671**	788,929	459,506
		2,235,197	**2,054,196**	2,276,792	2,090,480
Current liabilities					
Creditors: Amounts falling due within one year	19	**(934,511)**	**(778,220)**	(1,407,005)	(1,245,059)
Net current assets		**1,300,686**	**1,275,976**	869,787	845,421
Provisions for liabilities and charges	20	**(509,724)**	**(509,724)**	(506,120)	(506,120)
Net Assets		**20,832,751**	**20,818,042**	19,887,818	19,873,453
Funds					
Restricted	22	**675,912**	**675,912**	751,809	751,809
Unrestricted	22	**20,156,839**	**20,142,130**	19,136,009	19,121,644
		20,832,751	**20,818,042**	19,887,818	19,873,453

The financial statements were approved by the Board of Directors on and were signed on its behalf by:

Signed by: Keith Holgate 19-Dec-2025 F044FB43183046C...

Keith Holgate - Trustee and Chair of the Board

Registered Company Number: 3077406

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Tŷ Hafan Group Statement of Cash Flows

for the year ended 31 March 2025

	Note	2025 £	2024 £
Net cash provided by (used in) operating activities	24	**323,375**	(274,597)
Cash flows from investing activities:			
Deposit Interest received	5	**8,688**	1,740
Payments to acquire tangible fixed assets	15	**(534,692)**	(747,557)
Transfer of cash held from investments		**-**	500,000
Net cash provided by (used in) investing activities		**(526,004)**	(245,817)
Change in cash and cash equivalents in the reporting period		**(202,629)**	(520,414)
Cash and cash equivalents at the beginning of the year		**788,929**	1,309,343
Cash and cash equivalents at the end of the year		**586,300**	788,929

Analysis of cash and cash equivalents	**31 March 2025 £**	**31 March 2024 £**
Cash at bank and in hand	**586,300**	788,929
Total cash and cash equivalents	**586,300**	788,929

Analysis of changes in net debt	**31 March 2024 £**	**Cash flow £**	**31 March 2025 £**
Cash	788,929	(202,629)	**586,300**
Total	788,929	(202,629)	**586,300**

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Tŷ Hafan Notes to the Financial Statements - continued

for the year ended 31 March 2025

ACCOUNTING POLICIES

Basis of preparation

The financial statements of the Charitable Company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention or transaction value unless otherwise stated in the relevant accounting policy note(s).

The Charitable Company's functional and presentational currency is the pound sterling (£), and balances are rounded to the nearest £1.

Preparation of the accounts on a going concern basis

At the time of approving the accounts, the Trustees have a reasonable expectation that the Charity, and the Group, have adequate resources to continue in operational existence for the foreseeable future. The Trustees have reviewed the reserves policy which supports the long-term business plan of the Charity. Thus, the trustees continue to adopt the going concern basis of accounting in preparing the accounts.

Basis of consolidation

The group financial statements consolidate those of Tŷ Hafan and its subsidiary undertakings, Tŷ Hafan Trading Limited and Crackerjackpot Limited (see note 16), made up to 31 March 2025, on a line by line basis.

The consolidated entity is known as the 'Group'. Accounting policies specific to the Charitable Company or group in total are laid out below.

No separate company Statement of Financial Activities (SOFA) has been prepared for the Charitable Company as permitted by Section 408 of the Companies Act 2006.

Incoming resources

Income is recognised when the Charitable Company has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that

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the income will be received and the amount can be measure reliably. It is derived from the activities outlined below.

Donations and similar incoming resources are recognised when they are received. Where refundable income is received in respect of a specified event or project, the income is deferred until completion of that event or project.

Pecuniary and residuary legacies are recognised on a case by case basis following the granting of probate and when the administrator/executor for the estate has communicated in writing the amount and of the legacy. In the event that the legacy is in the form of an asset other than cash or a financial asset traded on a recognised stock exchange, recognition is subject to the value for the legacy being reliably measurable with a degree of reasonable accuracy and the title to the asset being transferred to the Charitable Company. Reversionary legacies are not recognised during the lifetime of the original beneficiary under the will. An estimate of the total number and value of all open legacy cases which do not meet the above conditions, but to which the Charitable Company may be entitled is disclosed within the notes to the accounts.

Donated goods capitalised as tangible fixed assets are included as 'Income from Donations and Legacies' at their market value at the time of receipt.

Gift Aid receivable is included in income when there is a valid declaration from the donor.

Grants (including government grants) which are received to fund specific purposes are recognised as restricted incoming resources in the year in which the Charitable Company is entitled to the funds. Revenue grants are credited as incoming resources when they are receivable, provided conditions for receipt have been complied with.

No grants have unfulfilled conditions.

Fees receivable from Welsh Local Health Boards in respect of respite care are accrued.

The value of the goods donated for sale in the shops operated by the Charitable Company is recognised at the point of sale unless it is practicable for the goods to be measured at fair value on receipt. For these items the value is recognised as stock on the balance sheet and the released to the income statement when the item is sold.

The income for the weekly membership lottery is recognised when it is received except for money received in advance of the draw to which it relates, which is treated as deferred income.

Investment income comprises bank deposit interest and dividends and interest arising from discretionary investment activities. Investment income arising from discretionary investment activities is re-invested by the Investment Managers.

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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 headings:

- Costs of raising funds; includes the direct costs of operating the Charitable Company's shops, membership lottery and appeals office together with an apportionment of head office costs to reflect the support provided to the fundraising operations. The direct costs of operating the Charitable Company's shops do not include any valuation of donated goods sold
- Costs of charitable activities; includes the direct costs of operating care services together with an apportionment of head office costs to reflect the support provided to these activities.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

Allocation of support and governance costs

Support costs are those functions that assist the work of the Charitable Company but do not directly undertake charitable activities. Support costs have been allocated between governance costs and other support costs. Governance costs comprise all costs involving the public accountability of the Charitable Company and its compliance with regulation and good practice. These costs include costs related to statutory audit and legal fees together with an apportionment of overhead and support costs.

The bases on which support costs have been allocated are set out in note 8.

Taxation

The charitable members of the group are exempt from income and corporation taxes on income and gains to the extent that they are applied for their charitable objects. The trading subsidiaries do not generally pay UK Corporation Tax because their policy is to pay taxable profits to the Charitable Company as gift aid.

Tangible fixed assets

All tangible fixed assets are included at cost less accumulated depreciation. Items of a capital nature costing less than £1,000 are not capitalised. There are no heritage assets.

At present there are no circumstances existing to suggest that an impairment review of the carrying value of fixed assets is required. This position is reviewed on an annual basis. Any impairment is recognised in the year in which it occurs.

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Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Medical equipment	20% on cost
Hospice development	5% and 10% on cost
Freehold Land & Building	2% on cost
Office equipment	20% on cost
Computer equipment	33% on cost
Fixtures and fittings	20% on cost
Motor Vehicles	25% reducing balance

Assets under construction are carried at cost and are not depreciated until they come into use.

Investments

Assets held for investment purposes are valued at fair value (their market value) at the balance sheet date, except for investments in trading subsidiaries, which are held at cost, as the trustees believe that the market value of the trading subsidiary is not materially different to its cost.

Realised gains and losses on investments are calculated as the difference between sales proceeds of these investments and their market value at the start of the year, or their subsequent costs, and are charged or credited to the statement of the financial activities in the period of disposal.

Unrealised gains and losses represent the movement in market values during the year and are credited or charged to the statement of financial activities based on the market value at the year-end.

Investments in Subsidiaries

Investment in subsidiary entities are held at cost less impairment.

Debtors

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

Stocks

Stocks represent purchased stock items only and are stated at the lower of cost and estimated net realisable value. Where necessary, provision is made for obsolete, slow moving and defective stocks. Stock does not include goods donated for sale in the Group's charity shops unless it is practicable for the goods to be measured at fair value on receipt.

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Cash at bank and in hand

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

Creditors and provisions

Creditors and provisions are recognised where the Charitable Company 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.

Financial instruments

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

Fund accounting policy

Unrestricted funds are those which are available for use at the discretion of the Board of Directors in furtherance of the general objectives of the Charitable Company and which have not been designated for other purposes.

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

Designated funds are unrestricted funds of the Charitable Company, which the trustees have decided at their discretion to set aside to use for a specific purpose.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the statement of financial activities on a straight-line basis over the period of the lease.

Pension costs

Contributions in respect of defined contribution pension schemes are charged to the statement of financial activities in the period in which they are payable.

The Charitable Company also participates in the NHS Pension Scheme, a defined benefit pension scheme, but it is unable to identify its share of the underlying assets and liabilities. The pension costs charged against net incoming resources are the contributions payable to the scheme in respect of the accounting period.

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Critical accounting estimates and assumptions

The Charitable Company makes estimates and assumptions concerning the future. The resulting accounting estimates will by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next year are addressed below:

(I) Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimate useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimate, based on technological advancement, future investments, economic utilisation and the physical condition of the assets, see note 15 for the carrying amount of each class of asset held, and above for the useful economic lives for each class of assets.

(II) Impairment of debtors

The Charitable Company makes estimates of the recoverable value of debtors. When assessing the impairment of debtors, management consider factors including the current credit rating of the debtor, the ageing profile of debtors and historic experience. See note 18 for the net carrying amount of debtors and associated impairment provision.

(III) Provisions

Provision is made for the dilapidation on leasehold premises. These provisions require management's best estimate of the costs that will be incurred based on legislative and contractual requirements. (See note 20).

(IV) Income recognition of legacies

Residuary legacies have been recognised using a case-by-case basis when the amount receivable can be measured accurately following written confirmation from the estate executor/administrator. Management have accrued for a percentage of the legacy pipeline which is consistent with experience over the last four years.

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INCOME FROM DONATIONS AND LEGACIES

	Unrestricted Funds	Restricted Funds	Total Funds 2025	Total Funds 2024
	£	£	£	£
Donations, appeals and similar income	**2,922,672**	**578,680**	**3,501,352**	2,955,868
Legacies	**2,921,079**	**-**	**2,921,079**	1,630,304
	5,843,751	**578,680**	**6,422,431**	4,586,172

In accordance with the Charities SORP (FRS102) the Charitable Company accounts for legacies as receivable when conditions for entitlement have been met; and receipt of the income can be measured accurately. An external notification service is used to notify the Charitable Company of bequests and a system of monitoring ensures that the legacy is tracked until receipt.

At the year-end the Charitable Company had 97 (2024: 85) open legacy cases which had not met all of the above conditions. Should indicative amounts be received in respect of these legacies the Charity could benefit from a further £2,750,226 (2024 £1,953,936) in the future. In applying the requirements of the Charities SORP (FRS 102) in measuring income when it can be accurately measured, an accrual of £130,898 (2024: £29,650) has been included in the accounts for legacy bequests.

INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted Funds	Restricted Funds	Total Funds 2025	Total Funds 2024
	£	£	£	£
Local Health Authorities	**1,082,007**	**-**	**1,082,007**	1,103,255
Public Funding	**795,897**	**-**	**795,897**	590,559
Other	**16,471**	**-**	**16,471**	-
	1,894,374	**-**	**1,894,374**	1,693,814

INCOME FROM OTHER TRADING ACTIVITIES

	Unrestricted Funds	Restricted Funds	Total Funds 2025	Total Funds 2024
	£	£	£	£
Retail activities	**2,090,095**	**-**	**2,090,095**	2,200,915
Membership lotter	**1,643,370**	**-**	**1,643,370**	1,619,790
	3,733,465	**-**	**3,733,465**	3,820,705

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INVESTMENT AND OTHER INCOME

	Unrestricted Funds	Restricted Funds	Total Funds 2025	Total Funds 2024
	£	£	£	£
Listed investment Income	**353,343**	**-**	**353,343**	295,620
Interest Received	**8,688**	**-**	**8,688**	1,740
	362,031	**-**	**362,031**	297,360

EXPENDITURE ON TRADING ACTIVITIES AND RAISING FUNDS

	Unrestricted	Restricted	Total 2025	Total 2024
	£	£	£	£
Donations, appeals, legacies and similar income	**1,814,246**	**-**	**1,814,246**	1,552,940
Membership Lottery Investment Management	**978,571**	**-**	**978,571**	926,956
Costs	**64,240**	**-**	**64,240**	57,736
Retail Expenditure	**2,078,397**	**-**	**2,078,397**	2,054,878
	4,935,454	**-**	**4,935,454**	4,592,510

EXPENDITURE ON CHARITABLE ACTIVITES

	Unrestricted	Restricted	Total 2025	Total 2024
	£	£	£	£
Provision of Care:				
Direct Costs	**4,573,222**	**636,694**	**5,209,916**	4,603,486
Support Costs (see note 8)	**1,371,462**	**-**	**1,371,462**	1,265,533
	5,944,684	**636,694**	**6,581,378**	5,869,019

SUPPORT COSTS

Cost Categories	Charitable Activities	Donations & Legacies	Membership Lottery	Retail	Total 2025	Basis
	£	£	£	£	£	
Management	**164,586**	**44,653**	**27,905**	**55,288**	**292,432**	Average Head Count
Finance	**341,741**	**95,278**	**55,083**	**117,470**	**609,572**	Average Head Count
Governance (note 9)	**155,584**	**-**	**-**	**-**	**155,584**	Time Spent
IT	**144,856**	**41,380**	**22,240**	**50,830**	**259,306**	Average Head Count
Human Resources	**311,717**	**87,673**	**49,392**	**107,948**	**556,730**	Average Head Count
PR & Marketing	**252,978**	**70,716**	**40,570**	**87,152**	**451,416**	Time Spent
	1,371,462	**339,700**	**195,190**	**418,688**	**2,325,040**	

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GOVERNANCE COSTS

Analysed as:	**Unrestricted £**	**Restricted £**	**Total 2025 £**	Total 2024 £
Salary costs	**134,986**	**-**	**134,986**	116,971
Audit fees	**13,568**	**-**	**13,568**	13,450
Accounting services	**121**	**-**	**121**	1,550
Legal and professional	**6,909**	**-**	**6,909**	19
Trustee's expenses	**-**	**-**	**-**	-
	155,584	**-**	**155,584**	131,990

NET INCOME

The net surplus / (deficit) is stated after charging:

	2025 £	2024 £
Operating leases	**319,433**	326,005
Fees payable to the Charitable Company's auditor for the audit of the group	**12,750**	10,673
Depreciation of owned assets	**358,621**	421,326

TRUSTEES' REMUNERATION AND BENEFITS

	2025 £	2024 £
Trustees Expenses	**-**	-

During the year, 0 (2024:0) Trustees were reimbursed for miscellaneous expenses.

EMPLOYEES' REMUNERATION

a) Staff costs

Staff costs during the year were:

	2025 £	2024 £
Wages and salaries	**6,783,067**	5,875,249
Social security costs	**634,369**	531,498
Pension costs	**414,802**	356,252
Redundancy and Termination Costs	**-**	14,970
	7,832,237	6,777,969

The key management personnel of the Charitable Company are the Chief Executive Officer, the Director of Nursing and Clinical Servies, the Director of Family Wellbeing and Outreach Services, the Director of Finance, the Director of Income Generation, the Director of People Services and the Director of Lottery and Retail. The employee benefits of key management personnel for the year totalled £578,963 (2024: £546,893). During the year there have been no ex-gratia payments to staff.

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b) Staff numbers - average head count

	2025 No.	2024 No.
Care Staff	**104**	90
Donations & Legacies	**29**	24
Retail Staff	**49**	48
Lottery staff	**6**	8
Central services	**24**	21
	212	191

c) Higher paid staff

The number of employees whose gross emoluments fall within each band of £10,000 from £60,000 upwards are as follows:

	2025 No.	2024 No.
£60,001 to £70,000	**3**	1
£70,001 to £80,000	**2**	1
£80,001 to £90,000	**1**	1
£90,001 to £100,000	**1**	-
£100,001 to £110,001	**1**	1

The Charitable Company also made pension contributions on behalf of the above employees totalling £46,664 (2024: £45,275) which have not been included within the banding categories above.

TAXATION

As a registered charity, Tŷ Hafan is entitled to the exemptions from taxation in respect of income and capital gains received within Sections 478 - 489 of the Corporation Tax Act 2010 and section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that these are applied to its charitable objects purposes only.

The trading subsidiary, Tŷ Hafan Trading Limited, has utilised previous taxation losses against taxable profit for the year and hence there are no amounts chargeable to corporation tax.

The trading subsidiary, Crackerjackpot Limited, has gifted taxable profits arising during the year to its charitable parent Tŷ Hafan Limited and hence there are no amounts chargeable to corporation tax.

As a consequence of the above, no tax charges have arisen in the group.

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CHARITABLE COMPANY RESULTS

The Charitable Company has taken advantage of Section 408 of the Companies Act 2006 and has not included its own income and expenditure account in these financial statements. The results of Tŷ Hafan (the Charitable Company) are summarised below:

	2025 £	2024 £
Total incoming resources	**11,589,287**	9,614,245
Total resources expended	**(10,694,161)**	(9,679,816)
Net incoming resources	**895,126**	(65,571)
Net unrealised investment gain/(loss)	**49,463**	1,154,538
Net movement in funds	**944,589**	1,088,967
Funds:		
As 1 April	**19,873,453**	18,784,486
At 31 March	**20,818,042**	19,873,453

The above results include £749,831 (2024: £769,479) in gift aid donations received by the Charitable Company from its trading subsidiary Crackerjackpot Limited.

TANGIBLE FIXED ASSETS

Group and Charity

	Freehold Land and Buildings £	**Fixtures and Fittings £**	**Equipment £**	**Motor vehicles £**	**Total £**
Cost					
At 1 April 2024	9,257,308	1,225,431	750,571	98,376	**11,331,686**
Additions	418,710	21,591	51,702	42,689	**534,692**
Disposals	-	-	-	(9,296)	**(9,296)**
At 31 March 2025	9,676,018	1,247,022	802,273	131,769	**11,857,082**
Depreciation					
At 1 April 2024	3,233,093	1,183,162	662,217	98,376	**5,176,848**
Charge for the year	283,722	22,473	45,311	7,115	**358,621**
Revaluations	-	-	-	-	**-**
Disposals	-	-	-	(9,296)	**(9,296)**
At 31 March 2025	3,516,815	1,205,635	707,528	96,195	**5,526,173**
Net Book Value					
At 31 March 2025	**6,159,203**	**41,387**	**94,745**	**35,574**	**6,330,909**
At 31 March 2024	**6,024,215**	**42,269**	**88,354**	**-**	**6,154,838**

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FIXED ASSET INVESTMENTS

Total fixed asset investments comprise:

	Group £	**2025 Charity £**	Group £	2024 Charity £
Interests in subsidiary undertakings	**-**	**10,001**	-	10,001
Market value of other fixed asset investments	**13,710,880**	**13,710,880**	13,369,313	13,369,313
	13,710,880	**13,720,881**	13,369,313	13,379,314

FIXED ASSET INVESTMENTS (CONTINUED)

Interests in group undertakings

At 31 March 2025, the Charitable Company held 100% of the allotted ordinary share capital of the following subsidiaries:

	Country of Incorporation	**Class of Share Capital Held**	**Company Number**	**Nature of Business**	**Capital and Reserves £**	**Result for the Financial Year £**
Tŷ Hafan Trading Limited	England & Wales	Ordinary shares	05129825	Trading Merchandise	14,707	341
Crackerjackpot Limited	England & Wales	Ordinary shares	08221671	Lottery Operations	10,000	-

Other fixed asset investments were held as follows:

	2025 Group and Charity £	2024 Group and Charity £
Listed Investments		
Market value at 1 April	**13,369,313**	12,476,891
Additions	**2,022,609**	4,174,091
Disposals	**(1,659,990)**	(3,661,790)
Cash movement	**(70,516)**	(774,416)
Revaluation	**49,463**	1,154,538
Market value at 31 March	**13,710,880**	13,369,313
Cash included in total	**22,827**	93,343
Historical cost	**12,198,336**	11,845,748

The market value at 31 March 2025 comprises a sum of £13,637,708 managed by Brewin Dolphin (2024: £13,292,048). Also included in the market value are £73,172 (2024: £77,265) of shares which were bequeathed to the Charity taking the investment portfolio to £13,710,880 at the balance sheet date.

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Income generated totalling £353,343 (2024: £295,620) was invested after deduction of management charges of £64,240 (2024: £57,736). The investments are unrestricted. During the year there were £0 (2024: £500,000) withdrawals from the investment portfolio to fund capital and other programme expenditure. The portfolio includes £6,631,497 (2024: £5,246,457) invested in UK investments and £7,079,383 (2024: £8,122,856) invested in overseas investments.

STOCKS

	Group £	**2025 Charity £**	Group £	2024 Charity £
Retail goods held for sale	**6,687**	**-**	5,655	-

DEBTORS

	Group £	**2025 Charity £**	Group £	2024 Charity £
Trade Debtors	**287,663**	**287,663**	417,812	417,812
Prepayments and accrued income	**1,286,491**	**1,279,277**	888,422	882,396
Due from subsidiary undertakings	**-**	**67,529**	-	154,792
Employee benefit schemes	**4,181**	**4,181**	4,867	4,867
VAT recoverable	**63,875**	**63,875**	171,107	171,107
	1,642,210	**1,702,525**	1,482,208	1,630,97

Debtors are stated after provisions for impairment of £Nil (2024: £Nil).

CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group £	**2025 Charity £**	Group £	2024 Charity £
Trade creditors	**124,936**	**113,627**	355,999	347,700
Owed to subsidiary undertakings	**-**	**8,020**	-	8,711
Social security and other taxes	**221,701**	**214,623**	197,122	189,010
Accruals	**311,167**	**295,185**	309,698	289,392
Deferred income	**276,707**	**146,764**	544,186	410,246
	934,511	**778,219**	1,407,005	1,245,059

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CREDITORS: DEFERRED INCOME

Deferred income consists of income received in respect of future draws of the group's weekly membership lottery, and grants to be utilised in future periods.

	2025			
	Group	**Charity**	Group	2024 Charity
	£	**£**	£	£
As at 1 April	**544,186**	**410,246**	692,076	537,304
Amounts released to incoming resources	**(602,933)**	**(468,993)**	(1,092,737)	(868,019)
Amounts deferred in the year	**335,454**	**205,511**	944,847	740,960
As at 31 March	**276,707**	**146,764**	544,186	410,246

PROVISIONS FOR LIABILITIES AND CHARGES

	2025			2024
	Group	**Charity**	Group	Charity
	£	**£**	£	£
As at 1 April	**506,120**	**506,120**	511,039	511,039
Additions	**3,604**	**3,604**	8,081	8,081
Charged during the year	**0**	**0**	(13,000)	(13,000)
As at 31 March	**509,724**	**509,724**	506,120	506,120

The nature of the Charitable Company's activities requires it to enter into lease agreements for various items of equipment, property and vehicles.

The provision relates to management's best estimate of costs in respect of such items beyond fair wear and tear for which the Charitable Company is liable under the terms of each agreement.

PENSION SCHEMES

The Charitable Company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the Charitable Company to the scheme and amounted to £414,802 (2024: £356,252).

There were no outstanding or prepaid contributions at either the beginning or end of the financial year.

The Charitable Company also contributes to the NHS Pension scheme, whose fund is held independently of the Charitable Company. The scheme is an unfunded defined benefit scheme but the Charitable Company is unable to identify its share of the underlying assets and liabilities.

Employer contribution rates are reviewed every four years following a scheme valuation carried out by the government actuary. On the advice of actuary, the contributions may be varied from time to time to reflect changes in the scheme`s liabilities.

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The last formal actuarial valuation undertaken for the NHS Pension Scheme was completed as at 31 March 2020 (published in April 2024). The primary purpose of the formal actuarial valuations is to set employer and employee contribution rates from April 2024. The Department of Health and Social Care have recently laid Scheme Regulations confirming that the employer contribution rate will increase to 23.7% of pensionable pay from 1 April 2024. However, NHS employers contribution rates are capped at 14.3% and central payments of 9.4% will be made by the NHS.

The contributions to this NHS scheme in the year were £119,015 (2024: £75,504)
The Charitable Company has made no employer contributions into employee personal pension schemes.

MOVEMENT IN FUNDS - GROUP

	Balance at 1 Apr 2024	Incoming resources	Outgoing resources	Transfers	Unrealised gain on Investments	Balance at 31 Mar 2025
	£	£	£	£	£	£
Unrestricted funds						
General funds	10,320,497	11,833,622	(10,865,123)	169,985	49,463	**11,508,444**
Designated Funds						
Care in Community	40,013	-	-	-	-	**40,013**
Fixed Assets	5,620,525	-	-	143,100	-	**5,763,625**
Planned Deficits	2,369,000	-	-	(660,069)	-	**1,708,931**
2025/26 Budgeted Capital Projects	-	-	-	355,096		**355,096**
Property Maintenance Reserve	500,000	-	-	-	-	**500,000**
Hospice Staff Costs	125,000	-	-	-	-	**125,000**
Transition	160,974	-	(5,244)	-	-	**155,730**
	8,815,512	-	(5,244)	(161,873)	-	**8,648,395**
Restricted funds						
Building	572,488		(9,771)	(8,112)	-	**554,605**
Hospice Equipment	8,263	9,214	-	350	-	**17,827**
Staff Costs	47,002	317,098	(317,019)	2,561	-	**49,642**
Hospice Service Users	10,910	218,738	(174,899)	(2,911)	-	**51,838**
Hospice Building Capital Works	110,334	2,000	(110,334)	-	-	**2,000**
Garden Works Project	2,812	220	(3,032)	-	-	**-**
Care in Community	-	31,410	(31,410)	-	-	**-**
	751,809	578,680	(646,465)	(8,112)	-	**675,912**
	19,887,818	12,412,301	(11,516,832)	-	49,463	**20,832,751**

Included within the above general funds are funds of the subsidiaries amounts to £14,707 (2024: £14,366) all of which are unrestricted.

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MOVEMENT IN FUNDS - GROUP (CONTINUED)

General Funds:

General funds are available for use at the trustees' discretion in furtherance of the objectives of the Charitable Company. Included in general funds is the revaluation gain of investments to market value of £49,463 (2024: revaluation gain of £1,154,538).

Fund Transfers:

During the year £8,112 (2024 £8,112) was transferred from restricted funds to unrestricted funds. This relates to the depreciation charge on the building asset funded by the Welsh Government held in restricted funds (see note below).

Restricted Funds:

The Big Lottery provided funds towards an extension to the hospice in 2015 and equipment. This fund is charged with the depreciation arising thereon.

Welsh Government provided funding towards the purchase of the hospice freehold land. This land was purchased in 2010 and has been capitalised in the financial statements.

During the year we were also kindly donated funds towards the expansion of our care services including staffing for bereavement, increasing occupancy at our hospice and family support services.

Designated Funds:

Included in the Unrestricted Funds are 3 donations received that have been designated for specific future expenditure, a total of £125,000 has been ring fenced for hospice staff costs, £40,013 for providing care in the community and a legacy donation balance of £155,730 which is being spent on resources to help the transition between child and adult services. There is also an allowance for the funds invested in the hospice and office building of £5,763,624, a provision of £1,708,931 to cover a planned deficit for the 2025/26 financial year, £355,096 for 2025/26 capital projects and a £500,000 provision for unplanned property maintenance requirements where grant funding is not available.

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ANALYSIS OF NET ASSETS BETWEEN FUNDS

GROUP

	Fixed assets £	Investments £	Net current assets £	Provision £	Total £
Unrestricted funds	5,776,304	13,589,573	1,300,686	(509,724)	**20,156,839**
Restricted funds	554,605	121,307	-	-	**675,912**
Total funds	**6,330,909**	**13,710,880**	**1,300,686**	**(509,724)**	**20,832,751**

CHARITY

	Fixed assets £	Investments £	Net current assets £	Provision £	Total £
Unrestricted funds	5,776,304	13,599,574	1,275,976	(509,724)	**20,142,130**
Restricted funds	554,605	121,307	-	-	**675,912**
Total funds	6,330,909	13,720,881	1,275,976	(509,724)	**20,818,042**

RECONCILIATION OF INCOME/(EXPENDITURE) TO NET CASH FLOWS FROM OPERATING ACTIVITIES

	Note	2025 £	2024 £
Surplus / (Deficit) of income over expenditure		**944,932**	1,091,060
(Gains) / Losses on investments	16	**(49,463)**	(1,154,538)
Net investment income and bank interest	5	**(362,031)**	(297,360)
Investment portfolio management fees	6	**61,240**	57,736
Depreciation	15	**358,621**	421,326
Disposals / Revaluation Movement	15	**-**	-
Increase in stock	17	**(1,032)**	(528)
Increase in Debtors	18	**(160,002)**	(474,808)
Decrease in creditors	19	**(472,494)**	87,434
Movement in provision for liabilities and charges	20	**3,604**	(4,919)
Net cash inflow / (outflow) from operating activities		**323,375**	(274,597)

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CAPITAL COMMITMENTS

As at 31 March 2025, the Charity had capital commitments totalling £0 (2024: £248,415).

OPERATING LEASE COMMITMENTS

As at 31 March 2025, the group had annual commitments under non-cancellable operating lease arrangement as follows:

	2025		2024	
	Group £	Company £	Group £	Company £
Land and Buildings				
Leases expiring within one year	129,208	129,208	62,300	62,300
Leases expiring within 2 to 5 years	401,542	401,542	16,358	16,358
Leases expiring within greater than 5 years	184,500	184,500	0	0
	715,250	715,250	78,658	78,658
Other Operating				
Leases expiring within one year	5,185	5,185	4,248	4,248
Leases expiring within 2 to 5 years	11,913	11,913	0	0
Leases expiring within greater than 5 years	0	0	0	0
	17,098	17,098	4,248	4,248

LEGAL CHARGE

The Charitable Company has entered into a covenant with the New Opportunities Fund to discharge all monies and liabilities which shall from time to time be due as set out in the grant contract. As part of the agreement to award the Charitable Company a grant to fund the building of the new Hospice extension as continuing security for the payment and discharge of the liabilities, the New Opportunities Fund have been granted a first legal mortgage over the land and premises at Sully, Penarth, which has a net book value of £6,159,203 (2024: £6,024,215), and the Charitable Company assigns to the fund by way of first fixed equitable charge each and all of the insurance and all future easements and other rights at any time vested in or conferred on the Charitable Company in connection with or otherwise for the benefit of the property.

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CONTINGENT LIABILITY

Sale of Land

As part of the agreement to purchase the freehold of the land on which the hospice is built an overage agreement applies to future development which is payable to the previous freeholder. The restriction is in place until 2035. It is not possible at this time to quantify any contingent liability arising.

MEMBERS' LIABILITY

The Charitable Company is a private company limited by guarantee and consequently has no share capital. Each of the members is liable to contribute an amount not exceeding £1 towards the assets of the Charitable Company in event of liquidation.

RELATED PARTY DISCLOSURES

The Charitable Company is exempt from disclosing transactions with its subsidiaries under the provisions of FRS 102, as the subsidiaries are 100% controlled by the Charitable Company.

INDEMNITY INSURANCE

The group has taken out Charity and Charity Trustees Indemnity Insurance at a cost of £499 (2024: £499).

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PRIOR YEAR STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted Funds £	Restricted Funds £	Total Funds 2024 £
Income from:			
Donations and Legacies	3,877,611	708,561	4,586,172
Charitable Activities			
- Provision of Care	1,693,814	-	1,693,814
Other Trading Activities	3,820,705	-	3,820,705
Investments and other income	297,360	-	297,360
Total income	9,689,490	708,561	10,398,051
Expenditure on:			
- Trading Activities	2,981,834	-	2,981,834
Total income net of trading expenditure	6,707,656	708,561	7,416,217
Expenditure on:			
- Raising Funds	1,552,940	-	1,552,940
- Investment Management	57,736	-	57,736
Net income available for Charitable Activities	5,096,980	708,561	5,805,541
Charitable Activities			
- Provision of Care	5,107,094	761,925	5,869,019
Total Expenditure	9,699,604	761,925	10,461,529
Net income before gains/(losses) on investments	332,060	(10,114)	(53,364)
Net gains/(losses) on investments	1,154,538	-	1,154,538
Net Income / (Expenditure)	1,144,424	(53,364)	1,091,060
Gross transfers between funds	8,112	(8,112)	-
Net movement in funds	1,152,536	(61,476)	1,091,060
Reconciliation of Funds			
Funds balances brought forward	17,983,473	813,285	18,796,758
Fund balances carried forward	19,136,009	751,809	19,887,818

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	Balance at 1 Apr 2023 £	Incoming resources £	Outgoing resources £	Transfers £	Unrealised gain on Investments £	Balance at 31 Mar 2024 £
Unrestricted funds						
General funds	9,750,718	9,689,490	(9,684,950)	(589,299)	1,154,538	**10,320,497**
Designated Funds						
Care in Community	40,013	-	-	-	-	**40,013**
Fixed Assets	5,204,354	-	-	416,171	-	**5,620,525**
Planned Deficits	2,187,760	-	-	181,240	-	**2,369,000**
Major Capital Projects	500,000	-	-	-	-	**500,000**
Hospice Staff Costs	125,000	-	-	-	-	**125,000**
Transition	175,628	-	(14,654)	-	-	**160,974**
	8,232,755	-	(14,654)	597,411	-	**8,815,512**
Restricted funds						
Building	580,600			(8,112)	-	**572,488**
Hospice Equipment	15,528	23,000	(30,265)	-	-	**8,263**
Staff Costs	99,732	457,786	(510,516)	-	-	**47,002**
Hospice Service Users	13,918	23,742	(26,750)	-	-	**10,910**
Hospice Building Capital Works	95,956	150,241	(135,863)	-	-	**110,334**
Hospice IT	-	-	-	-	-	**-**
Garden Works Project	2,437	2,457	(2,082)	-	-	**2,812**
Care in Community	5,114	51,335	(56,449)	-	-	**-**
	813,285	708,561	(761,925)	(8,112)	-	**751,809**
	18,796,758	10,398,051	(10,461,529)	-	1,154,538	**19,887,818**

Docusign Envelope ID: 180E82E3-815A-4A1C-8C9A-90BC7FDA3190



Tŷ Hafan

CHILDREN'S HOSPICE
HOSBIS I BLANT

www.tyhafan.org

Patron HRH The Princess of Wales

Registered with FUNDRAISING REGULATOR

Registered in Wales no: 3077406
Registered charity no: 1047912

TY HAFAN

England & Wales - Charity number 1047912

Accounts

Annual report and financial statements
For the year ended 31 March 2024

Tŷ Hafan – the hospice for children in Wales
www.tyhafan.org
Registered Charity No. 1047912
Company No. 3077406

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1. Trustees' Statement

The trustees confirm that their annual report and the accounts of the Charity and its subsidiaries for the year ending 31 March 2024, have been prepared in accordance with:

- the Companies Act 2006
- the Charities Act 2011
- Tŷ Hafan's Articles of Association
- The Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102).



2. Chairman's introduction

Ty Hafan exists solely to benefit children with life-shortening conditions and their families in Wales. As we commemorate twenty-five years since our charity was established, we find that the need for the support and services we offer has never been greater. We remain passionately committed to being there for every child who needs us, where and when they need us, and in doing so, we must ensure that we are agile and innovative in how we deliver our services.

With this in mind, the year has seen an increased focus on reaching children and families where and when they need us most: at home, in hospital, or in their local community, as well as at our hospice building in Sully. Wherever the delivery of care and support takes place, our aim is to ensure that a short life is a full life, and services are tailored to meet the individual needs of the child and family.
The range of support we provide is broad, encompassing palliative care and symptom management, play and therapy events, emotional support, "stay and play" hubs, specialist sibling support, and much more besides. When the inevitable happens, we offer end-of-life care and bereavement support and remain there for the family whenever they need us.

The work of Ty Hafan is made possible through the generous donations from the public, who support us in various ways, such as participating in events, playing our popular lottery, making monthly donations, or shopping in our charity shops. The funding necessary to provide our services is derived almost entirely from the income we generate, the fundraising efforts of our supporters, the generosity of our major donors, the contributions and pro-bono support from individuals and business partners, and grants from charitable trusts and foundations. These sources collectively account for 84% of our total annual income.

A special note of gratitude is extended to our steadfast band of committed volunteers who support every aspect of our activities. They help in a wide array of ways including maintaining the hospice grounds for the pleasure of the children and families, underpin our fundraising efforts with a wide range of support, and without whom our retail network would grind to a halt.

We believe that no family should have to face the unimaginable loss of their child alone. There is much to do to ensure that we achieve our bold ambition but when we do so it be as a direct result of the ongoing generosity and support provided by our supporters and the dedication of our staff.

Martin Davies
Chairman

3. Chief Executive's statement

I am pleased to report that 2023/24 – our 25th anniversary year - was a year of recovery for Tŷ Hafan, as the longer-term impacts from the pandemic abated. A far-reaching recruitment campaign and investment in our pay and rewards offer for staff saw an increase in our number of healthcare staff – both nursing and healthcare support workers. This enabled us to slowly build back our hospice service provision and offer residential care support to more families. However, we cannot stand still. Our increasing support offer is against the backdrop of an increasing number of referrals for end-of-life care and symptom management admissions, and these interventions remain a priority for Tŷ Hafan. This report details the depth and breadth of support we offer to children and families, which is always tailored as best we can to their individual needs.

We remain concerned over the continued impact of cost-of-living pressures. The increase in hospice running costs associated to rises in energy and staffing costs means that now more than ever we need to look at new ways of generating income.

We have a diverse income generating portfolio, ranging from our retail stores and charity to lottery, to community fundraising events and corporate partnerships. 2023/24 was a successful year for fundraising within the charity and our amazing supporters continued to show how much they care about the children and families who need Tŷ Hafan's support, with incredible generosity. Over the year we received just 16% of our funding from government sources, and raised the remaining funds (£8.7 million) through voluntary fundraising activity. We remain extremely grateful to all our supporters who continued to show such generosity.

We also remain grateful to our people, who make Tŷ Hafan what it is. Our 200 employees and over 500 volunteers all contribute to the delivery of our vision, purpose and ambition and without the dedication of our teams, we would not be able to provide the services we do to the children and families who need us. We made significant strides in implementing our people and culture plans over the course of the year, and continued to grow our volunteer base and improve our volunteering experience.

Particular thanks also go to our outgoing Chief Executive, Maria Timon Samra, who stood down from her role in early 2024 after almost four years leading the Charity.

At the end of 2023/24, Tŷ Hafan is in a stronger and more stable position to grow and sustainably extend its reach to more children and families who need our support, which we will do with the support, commitment, and partnership of many contributors. Thank you.

Jason Foster

Interim Chief Executive

4. Tŷ Hafan –personalised care and support

Tŷ Hafan offers specialist care and support for children and young people living with life-shortening conditions and their families across Wales. As the children and young people referred to the service are not expected to live beyond 18 years of age, we focus all we do on ensuring a short life is a full life. The support provided is personalised and lifelong. For families, the support extends into bereavement.

Unlike adult hospices where the needs of the adult are often sudden onset, medium to high intensity and short duration, the care and support needs of children and families are more typically for an extended duration, often lasting many years. Many children with a life-shortening condition are diagnosed at birth or in early childhood and live for many years with a range of increasingly complex medical needs.

Families live with the expectation that their child is likely to die and often face into multiple instances of potential end-of-life care. This emotional rollercoaster, alongside the exhausting realities of caring, can prove overwhelming for families.

Tŷ Hafan supports a range of referrals spanning the life journey of a child and family:

- ante-natal referrals (where a complex life-limiting condition is diagnosed before the child is born).
- neonatal referrals (where a baby is born and is not expected to survive more than a short number of days or weeks).
- referrals from the point at which a life-shortening condition is identified, for families to access a wide range of practical, therapy and emotional support services delivered both locally and at the hospice site.
- referrals for the management of specific symptoms as an alternative to a hospital admission.
- referrals for end-of-life care.

Tŷ Hafan's multi-disciplinary care services team includes a consultant, specialist nurses, therapists, family support and play professionals. They work in collaboration with the specialist paediatric palliative care teams and local health board teams to deliver child and family focused palliative care and support. The service model is built on providing the right support, at the right time and in the right place, delivered by the right person or service.

Our service seeks to provide seamless support that flows across organisational and geographical boundaries. The Tŷ Hafan hospice in Sully offers a tranquil experience for families and features bespoke medical equipment, a specialist playground, sensory aids and a hydrotherapy pool. We also offer a range of non-clinical services in the home and in the community, reflecting a greater focus on family wellbeing and care closer to home.

As the needs of children and families change over time, we re-shape our care and support striving to make it available for families when and where it is needed most. Our care is always holistic, focusing on physical, emotional, social, and spiritual needs.

Families live each day with the reality of knowing their child may die young. Our unique understanding of how this impacts every part of their life shapes the care we provide. In all cases, this is tailored and heartfelt and designed to meet the individual needs of a child and family.

Such long periods of illness and extended uncertainty inevitably place a huge strain on family life, so our support is inclusive, encompassing the wider family including parents and siblings. Our support continues after the death of a child, and we are there for bereaved families for as long as they need us.

Care at Tŷ Hafan's hospice

The specialised nursing and clinical care offered at the hospice is agile and targeted to children and families most in need. We are committed to ensuring that any family wishing to access the hospice for end of life care is able to do so and have configured our resourcing to facilitate these, often very short notice, requests. We have seen demand for our compassionate and specialist end of life care increase over the last year and this type of support accounts for a significant amount of our overall care offer. Alongside this we provide a robust symptom management stay offer, supporting children and their families when there is a concern about how well a child's symptoms are being controlled. The increased demand on these specialist services has inevitably impacted on the availability of more routine respite stays. Families are still able to access respite either via a crisis request or by using our short notice cancellation offer and as our staffing resource is strengthened our ability to offer increased access to respite improves. We acknowledge the importance of access to timely and appropriate respite care support for families living with the complexities of a child with a life-shortening condition and continue to advocate on behalf of families to improve access to statutory sources of support.

The hospice building hosts a number of spaces and resources which we offer for the use of families on a drop-in basis as well as the offer of regular hospice based play and therapy events that provide opportunities for families to access a range of support. These spaces include a hydrotherapy pool, sensory rooms and indoor and outdoor play facilities.

Support at or closer to home

An increased focus on family and wellbeing services is reflected in the expansion of the scope and diversity of services delivered at home or closer to home. Through talking with families, we have come to understand how shorter and more local interventions, delivered more frequently, can make a big difference. We recognise that due to our large catchment area (covering South, West, and Mid-Wales) some families find travel to the hospice site unmanageable, so increasingly we are finding ways to take much needed support services to them in their local communities.

The majority of children living with life-shortening conditions live their lives in their local communities. By extending our services into homes and communities, families can receive care and support in a more adaptable manner. Local services tend to be more

accessible, causing less disruption to the family's daily routine, and assist the whole family to be involved.

Families can select from a range of services that include in-person visits at home or accessing services in community hubs and events across our geographical area.

Our 'stay and play' hubs offer meaningful play and engaging activities for children closer to home. Staffed by our experienced family support and play and therapies team they provide a time for enjoyment and diversion within an environment that encourages them to share experiences alongside other children. For parents, it is an opportunity to seek peer support, learn from one another, and exchange experiences. Moreover, it provides a dedicated period to focus on their own wellbeing, allowing access to complementary therapies and family support services.

Care in hospitals

The children we help receive care and support across various settings. We collaborate to ensure our services integrate with hospitals and organisations, to complement the services they offer.

When a child with a life-shortening condition is admitted to hospital, it usually means the child has become more unstable, or a sudden deterioration has occurred. Tŷ Hafan's services work with hospital-based care teams, enhancing the support and providing families a trusted and familiar point of contact at a time when life may feel out of control. In the final days and weeks, our teams will be alongside the family, exploring their wishes for end-of-life care, including arranging a transfer to the hospice if the child, young person or family prefers.

Fostering connections and strengthening self-support

Tŷ Hafan creates a feeling of community that ensures families feel more supported through shared experiences. Many of the families that we support live with the fact that their child's condition is so rare that few other families can understand what this feels like. One way of achieving this has been through a network of 'closed' Facebook groups – an online community of people learning from each other, accessing information, and providing mutual support when things feel tough. This vital service is available for mums, dads, siblings, and our 'squad' of older young people who no longer access Tŷ Hafan's residential services but want to stay in touch with their friends.

Emotional support around the clock

Caring for a child with a life-shortening condition is exhausting for families who have little time to rest while fulfilling their role as parent carers with skill and expertise. Our skilled family support team, comprising of family support workers and family support practitioners, is available around the clock, every day of the year. They provide support in family homes, over the telephone, via video enabled technology, and through one-to-one sessions at the hospice and in local communities. When coping feels over whelming, they are often the team that identifies the need for additional support.

Support for siblings

The siblings of children with life-shortening conditions face unique challenges themselves. Tŷ Hafan offers specialist support that recognises the impact of this, the

impact on their own childhood, a sense of isolation and loss. We help provide them with opportunities to understand and express their thoughts and feelings as well as develop mechanisms to help them cope and thrive. Sibling support is age appropriate and flexes to meet needs over a lifetime of support. Support is offered at the hospice and closer to home on a one to one basis as well as groups. We help these children enjoy their time with their parents and siblings, devote time to their own wellbeing, and cope with bereavement and beyond.

Practical support

Studies show that the families we meet are more likely to face financial difficulties and find it difficult to access additional support. The role of Tŷ Hafan in signposting and advocating for families in this context is crucial. We use our voice whenever and wherever it is needed to enable the challenges experienced by families to be better understood, and to help identify solutions to make these unfairly difficult lives a little easier.

Transitional care and support

When a young person expected to die in childhood approaches their 18th birthday, there will be cause for celebration, but this is often accompanied by anxiety as they begin the transition from children's services to adult services. Some families describe this time as a 'cliff edge' as they move away from all that is familiar and need to form new relationships with adult services. Tŷ Hafan provides a range of individualised services to make this experience less daunting. A paediatric palliative care consultant and a specialist nurse work across organisational boundaries in collaboration with adult hospices and other specialist teams so that the young person and their family feel safe and supported. Recognising the need for young people to have social opportunities to engage with peers is another important focus for transition support. The team facilitates a number of social events for these young people and for their parents who are also learning to navigate new relationships with their adult children.

Bereavement care

Tŷ Hafan continues to provide support for families after bereavement. At this point our focus turns to supporting families with the unfamiliar experience of bereavement and with the immediate practical decisions they need to make. This support is designed with the individual needs of families in mind, but also includes opportunities for families to come together to remember their children through dedicated events and remembrance services. Bereavement is experienced uniquely, and we are here for families for as long as they need us. Families are always welcome back to the hospice, where children are remembered in memorial services and our memorial pebble garden.

5. Key Facts 2023/ 24

Number of families supported: (including young people 18+):	389
Total family member beneficiaries:	1,600
Number of bereaved families supported:	394
Number of crisis respite nights provided:	1008
Number of end-of-life care and symptom management stays provided:	344
Number of community interventions:	12,572



6. Public benefit, vision, purpose and strategic objectives

Having taken Charity Commission guidance into consideration, the board is confident that our Charity meets the public benefit requirements outlined the Charity Act 2011, and that our activities are consistent with our aims and objectives.

We believe that the Charity's vision, mission and strategic objectives enable us to meet the public benefit requirements by delivering a broad range of services free of charge to our beneficiaries.

Vision

A Wales where every child with a life-shortening condition lives a fulfilling life, supported with the compassion and specialist care they and their family need.

Purpose

No family should have to face the unimaginable loss of their child alone. With children and families at the heart of all we do, we provide free care and support in our hospice and in the community, offering a lifeline throughout the child's short life, at end of life, through bereavement and beyond.

Strategic objectives

- Be there for every child who needs us, where and when they need us
- Deliver high quality and compassionate services that meet the needs of the children and families we support
- Drive a values-based culture that attracts, retains and develops a diverse, skilled and engaged team of people
- Sustain and grow a diverse range of income streams that meet our ambition.

7. Funding and fundraising

The financial year 2023/24 was a successful year for fundraising within the charity, and the first year in which we were no longer significantly impacted by the Coronavirus pandemic. Our amazing supporters continued to show how much they care about the children and families who need Tŷ Hafan's support, with incredible generosity.

In 2023/24 we received just 16% of our funding from government sources, and raised the remaining funds (£8.7 million) through voluntary fundraising activity. We are extremely grateful to all of our supporters who continued to show such generosity.

Fundraising events built on the successes seen in the second half of the previous year, with particular success coming from the Cardiff Half Marathon and Welsh 3 Peaks. We continued to see incredible fundraising efforts from the families we have supported and were thrilled to support the Mums v Mountains fundraising challenge which saw a group of Mums supported by Tŷ Hafan take on the Welsh 3 Peaks over a 24 hour period.

Legacy donations from people who remember us with a gift in their will remained high in 2023/24, following significant growth in the previous year. This remains a poignant and important source of funds for Tŷ Hafan, covering the cost of around 28% of our care.

Individual supporters continued to help us by making one-off gifts or giving monthly and this remains a crucial and stable part of our fundraising activities.

Fundraising from businesses continued to see good levels of growth for Tŷ Hafan in 2023/24, with significant donations and fundraising activities from a range of sectors. We continue to focus on building mutually beneficial relationships with businesses – their support is vital in helping us to deliver our mission, but we also aim to play a key role in helping businesses to meet their strategic objectives, too.

Fundraising from community groups, organisations and institutions increased significantly in 2023/24 and we received support from friends groups, schools, universities and community groups all across south Wales, as well as from individuals organising their own fundraising activities.

Income from trusts and foundations continued to grow in 2023/24, with greater focus on securing multi-year funding for key projects.

Financial support from our donors was supported by Tŷ Hafan's commercial activities, which play an important role in enabling the Charity to retain diversified income sources. The Crackerjackpot lottery, wholly owned by Tŷ Hafan, generates a reliable and sustainable source of income for us. Tŷ Hafan's shops allow the Charity to reach across South Wales and both raise funds and increase awareness in the local communities that we serve of the services that we deliver.

Fundraising practices

Tŷ Hafan is registered with the Fundraising Regulator and is committed to the Fundraising Promise and adherence to the Fundraising Code of Practice.

In the course of fundraising, we will inevitably come into contact with people who may be in vulnerable circumstances, including the families of the children we support. Our Ethical Fundraising Policy outlines our commitment to engage carefully and sensitively with vulnerable people.

In 2023/24 we paid third party professional fundraisers to generate funds through regular giving and lottery. Professional fundraising agreements were in place with all third party professional fundraisers which outlined our expectations that those fundraisers comply with the Code of Fundraising Practice. This included ensuring that solicitation statements were made by those fundraisers. We also received funds from local and national corporate partners who provided charitable contributions to us from the sale of their goods or services. For all of these partners, commercial participator agreements were in place.

We are continually looking for ways to improve Tŷ Hafan's fundraising practices and ensure we maintain high standards for fundraising at all times. Listening to and learning from complaints about fundraising is a crucial part of this process. In 2023/24 we received four complaints directly related to our fundraising activities, and two related to retail, all of which were resolved. We were not subject to any complaint investigations through the Fundraising Regulator. We provide details of how to contact us, including our complaints policy and procedure on our website.

8. Our people

Our strategic aim for our people (employees and volunteers) is to drive a values-based culture that attracts, retains and develops a diverse, skilled and engaged team of people. The ability to deliver and develop our services relies on the extensive skills, expertise, and commitment of our people.

Tŷ Hafan employs around 200 employees and over 500 volunteers who all contribute to the delivery of our vision, purpose and ambition. Without the dedication of our teams, we would not be able to provide the services we do to the Children and Families who need us.

Employees

In 2023/24 to support the delivery of our people aim we focused on the continuation of our culture change programme, developing and supporting our people managers, enabling excellent performance and development, and valuing diversity, supporting inclusion and wellbeing.

Our all-staff survey that took place in February 2024 and we were proud to receive an overall engagement score of 84%.

A key priority during the year was to grow our nursing teams to increase our offer. Despite the shortage of paediatric nurses, we welcomed new Nurses to the team which we will continue to build on during the year ahead.

Volunteers

Our volunteers contribute and support Ty Hafan in a variety of ways and roles across the Charity. They are integral to the Charity, and we would not be able to deliver the breadth or range of services without them.

In 2023/24 we continued to develop volunteering at Ty Hafan by introducing new volunteering roles and growing our volunteer base, alongside ensuring those who volunteer for us feel engaged, are making a valuable contribution and have an overall positive volunteering experience with us.

Equality, diversity and inclusion

As an organisation, we are committed to ensuring a supportive and inclusive environment where all employees and volunteers can reach their full potential, where respect and understanding is fostered, and the diversity of people's backgrounds and circumstances is positively recognised and valued. We are committed and have taken proactive steps to eliminating any forms of harassment, victimisation and unlawful discrimination.

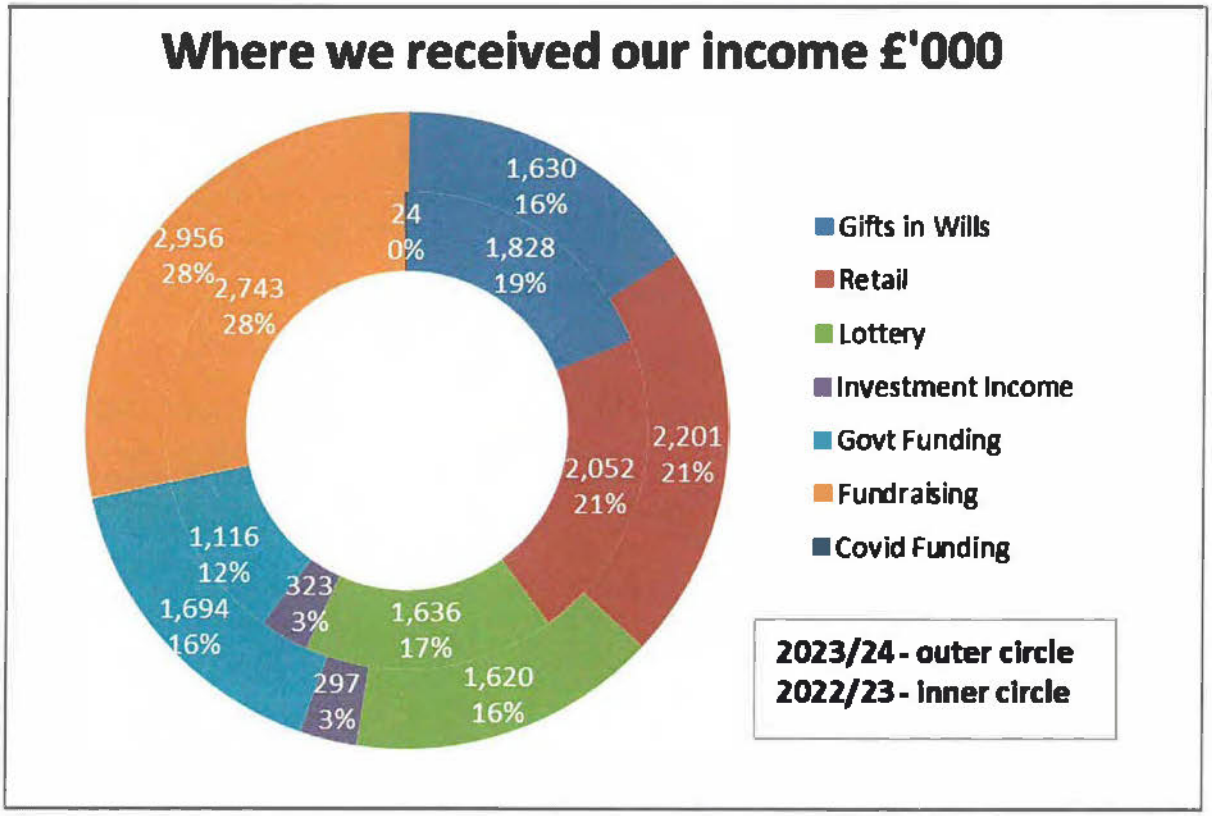
As we recognise the world is changing, and inclusion is imperative to future-proof our workplace, and to realise the many advantages of inclusion and diversity in the workplace, for the year ahead we are commencing a new EDI project and introducing EDI champions to be part of this important work.

9. Financial review and results for the year

Results for the year ended 31 March 2024 are shown in the Consolidated Statement of Financial Activities on page 30. This shows the financial results for Tŷ Hafan and its trading subsidiaries, Tŷ Hafan Trading Limited and Crackerjackpot Limited, which both donate their profits to the Charity.

Income

Total income received in 2023/24 was £10,398,051 (2022/23 £9,722,442). This represents a 7% increase from the previous year.



There was growth in most areas of income generation with the exception of our income from Gifts in Wills which fell by 11%. However, other areas such as Retail and Fundraising both saw year on year growth of 7% and 8% respectively. We also received a one-off payment of £544k from the Welsh Government for a Hospice Cost of Living Grant for 2023/24, which accounts for the uplift in Government Funding for the year.

Summary of Government funding received:

	2023/24		2022/23	
Government Funding	£'000	% of total income	£'000	% of total income
Recurring	818	8%	807	8%
Commissioning	332	3%	299	3%
One off funding	544	5%	10	0%
	1,694	16%	1,116	11%

Expenditure

Total expenditure in 2023/24 increased by £1,014,804 (+11%) to £10,461,529 (2022/23 £9,446,725). The highest increase in spend was in the provision of care of £607,333 (+12%) resulting from increased services provided at the hospice and in the community and the impact of the cost-of-living increase on our staff costs.

Five year expenditure on charitable activities

Excluding our trading activity in retail and lottery, 78 pence of every pound of expenditure is spent on charitable activity. This is in line with our objective to ensure more of our donations are used directly on our beneficiaries.

Cashflow

Overall, in 2023/24 there was a net cash outflow of £520,414, decreasing the cash held to £788,929 as at 31 March 2024. There was one withdrawal of £500,000 from the investment portfolio during the year.

Reserves

The board considers the maintenance of unrestricted reserves as an essential safeguard to mitigate the risks faced by the Charity and their potential impact on income and planned expenditure. The Charity has a responsibility to give confidence to its beneficiaries that we can provide our services even during times of economic uncertainty.

The board has established the level of reserves using the methodology outlined in the Charity Commission guidance and has considered the level of required reserves based on the assets used in the Charity and the risks to the Charity and likelihood of an event occurring.

The reserves policy is reviewed and agreed each year by the board.

The Charity's reserves are detailed in note 22 and 23 of the accounts.

At 31 March 2024, the Charity held £10,320,497 in unrestricted free reserves (2023: £9,750,718). The reserves were broken down as follow:

	31/03/2024	31/03/2023
Net Assets	£19,887,818	£18,796,758
Less Designated Reserves	(£8,815,512)	(£8,232,755)
Less Restricted Reserves	(£751,809)	(£813,285)
Unrestricted Free Reserves	**£10,320,497**	**£9,750,718**

Unrestricted free reserves have increased by £569,779 (+6%) during the year. Designated reserves have been increased by £582,757 (+7%) and include a provision for future planned deficits. Designated reserves also include the net book value of property owned by Tŷ Hafan.

Going concern

The Charity's financial position and performance has been outlined in the financial review above. The board has assessed projected future income, expenditure and cash flows, and analysed the strength of the Charity's reserves, liquid assets and its ability to withstand a material fall in income. Consideration has been given to the stability and diversity of various income streams in making this assessment.

The board has concluded that there is a reasonable expectation that Tŷ Hafan and its trading subsidiaries, Tŷ Hafan Trading Limited and Crackerjackpot Limited, have adequate resources to continue activities for the foreseeable future. Therefore, they have continued to adopt the going concern basis in preparing the financial statements.

Approach to financial investments

Decisions about the investment strategy and policy are governed by the finance with governance committee and approved by the board. The investment policy is reviewed annually by the board.

Tŷ Hafan's investment portfolio is managed by investment managers according to the board's instructions. The investment strategy is formally reviewed with our investment managers and finance with governance committee annually and more frequently when considered necessary.

Tŷ Hafan's investment risk appetite for its investment portfolio is consistent with a strategy of seeking to preserve and generate longer term capital growth and income ahead of the rate of inflation in order to grow the free reserves of the Charity. Tŷ Hafan does not depend on investment returns to fund its short-term operational requirements and is, therefore, able to tolerate short to medium term volatility of its investment portfolio.

The total value of the investment portfolio as at 31 March 2024 was £13,369,313 (2023: £12,476,891) representing an overall increase in value for the year of £892,422 (+7%, 2023: -3%).

During the year, there was a withdrawal of £500,000 from the portfolio (2023: no withdrawal).

The board recognises it has a responsibility to consider any ethical implications of its investments. This could lead to conflicting objectives between delivering the targeted returns and excluding certain investments that go against Tŷ Hafan's ethos and purpose.

It is, therefore, Tŷ Hafan's policy to use a negative screening approach avoiding investment in companies or sectors undertaking a particular activity or operating in a way which may be harmful to Tŷ Hafan's interests. This is reviewed annually alongside the investment policy review.

10. Structure, governance and management

Tŷ Hafan is a registered charitable company limited by guarantee, which operates an independent hospital and runs a lottery. It is subject to company law, charity law, trust law and bound by legislation governing the safe delivery of healthcare. As a result of its activities, Tŷ Hafan is accountable to a range of regulators:

- the Charity Commission
- Healthcare Inspectorate Wales (HIW)
- the Fundraising Regulator
- the Gambling Commission

We're also registered with government departments e.g., HMRC, Companies House, local authority services and other bodies, e.g., ICO, usually governed by self-assessment of compliance with regulations and/or filing annual returns.

The board of directors is legally responsible for financial probity, legal and regulatory compliance, and the Charity's registration as a private voluntary hospital under the Independent Healthcare (Wales) Regulations 2011.

The board, as the accountable body, governs Tŷ Hafan through its constitution. Tŷ Hafan's Articles of Association, Scheme of Governance (including Standing Orders, Matters Reserved for Board, and Scheme of Delegation) and Statement of Purpose form the Charity's governance framework for implementing the Charity's strategic objectives, monitoring progress, and managing the Charity's activities effectively, honestly, prudently, safely, transparently, and without personal gain.

Trustee recruitment and development

A code of conduct ensures trustees continue to act within their designated authority to deliver the Charity's objectives for the long-term benefit of the Charity's beneficiaries. They are obligated to fulfil their duties, both individually and collectively, in alignment with the Charity's constitution and charity law.

In line with best practice and the Charity Governance Code, the board continuously seeks to augment the diversity of its skillset through a continuous succession plan. Trustees are subject to an interview process, probationary period, due diligence checks and induction to ensure they become effective members of the board, working in the best interest of the Charity. Trustees play an engaged role, volunteering their time and support freely. They contribute the benefit of their professional expertise, and collaborate to protect and develop the Charity in a heavily regulated environment.

Trustees are eligible to serve a maximum tenure of eight years and can be proposed for re-election upon completion of their initial four-year term. The chair is eligible to serve 3 terms of 4 years. The board and senior executives of Tŷ Hafan are outlined in the 'reference and administrative details' section of the accounts.

Delegation

Specific authority is delegated to the chairman, committees, and the chief executive, however, the board retains ultimate accountability for the Charity's operations, financial

integrity, adherence to legal and regulatory standards, and its independent hospital registration.

Setting the Charity's long-term objectives, the board entrusts the chief executive, responsible for operational functions, with translating these goals into a strategic framework and a business plan to be executed by the executive team.

The board oversees the Charity's management and convenes regularly to receive reports from its committees, executive directors, and the board's officers.

Committees

The board benefits from the support of four standing committees, and various ad hoc committees, with specific remits to scrutinise the management of the Charity's operations. Each committee comprises a chair and members selected by the nominations committee, and executive directors act as advisors to the board. The standing committees are:

- Clinical governance committee, upholding excellence in clinical care by monitoring the quality of safeguarding and care service delivery.

- Finance with governance committee examines financial, fiduciary and investment matters, as well as the Charity's governance arrangements.

- Directorate and operations committee, which considers operational management and fundraising activity.

- Remuneration committee reviews issues relating to staff financial compensation, and terms, conditions and benefits.

The nominations committee convenes as necessary to ensure the establishment of an efficient board responsible for governing the Charity with financial integrity and transparency. This committee scrutinises the composition and performance of the board, oversees rigorous recruitment and succession strategies, and verifies the board's adherence to the Charity's governing documents and policy framework.

Pay structure

Ensuring fairness and equity in pay, the board maintains a transparent process for setting salaries within the Charity, considering affordability, economic indicators, and competitiveness. This involves an annual review that benchmarks each paid role within the Charity against similar positions in comparable organisations. Recommendations for annual pay awards are evaluated by the remuneration committee and, if endorsed, require approval from the board. Remuneration for the executive team, including the chief executive, is reviewed separately and approved by the board.

Subsidiary companies

As disclosed in note 16 to the financial statements, Tŷ Hafan owns two subsidiaries, Tŷ Hafan Trading Limited and Crackerjackpot Limited, which are independently governed and gift surplus funds to the Charity.

11. Managing risk and uncertainties

Tŷ Hafan undertakes a wide range of activities, which includes the provision of specialist paediatric palliative care within a hospice environment, operating a chain of retail shops, organising fundraising and marketing activity, and delivering mass participation events activities, as well as delivering regulated gambling through the Charity's subsidiary, Crackerjackpot.

The extensive scope of these activities necessitates a comprehensive and methodical approach to risk and uncertainty to protect the Charity's people and resources while effectively achieving its charitable objectives.

Tŷ Hafan's risk management framework, as part of our risk management policy, is central to Tŷ Hafan's Scheme of Governance and is based upon the principles of BSI ISO 31000 and COSO Enterprise Risk Management framework. The aim is to integrate the risk management policy in the Charity's business planning processes enabling trustees to comply with the regulatory requirement to publicly account for the effectiveness of the Charity's risk management processes.

Process of risk management

The executive team and risk management group routinely scrutinise the corporate risk register to verify the presence of adequate control measures for identified risk. Each risk is accompanied by recommended actions, designated to an owner with the aim of reducing the likelihood of its occurrence or mitigating its potential consequences. These recommendations undergo scrutiny by relevant committees and are subsequently presented to the board for approval at least on a six-monthly basis.

Risk mitigation measures are central to the Charity's business plan while addressing external factors such as economic, environmental and geopolitical crises. This involves continuous assessment and adoption of additional management controls while reinforcing the Charity's governance structure. Below were the primary strategic risks to delivering the business plan in 2023/24, each capable of adversely affecting the Charity's reputation – experienced across wider charitable sectors:

- challenging economic conditions impacting financial resilience and sustainability
- inability to achieve contribution targets due to the cost-of-living crisis and poor fundraising performance/resource capacity
- staff shortages impacting the Charity's ability to continue providing charitable services.

The board is satisfied that risk management is regularly assessed to ensure that actions and controls are effective and ensure that the Charity remains compliant and works to best practice in caring for children and their families.

Tŷ Hafan is not aware of any principal uncertainties as at 31 March 2024, nor in the period before signing the annual report and accounts.

12. Reference and administrative details

Registered Company Number	3077406
Registered Charity Number	1047912
Registered Office	Tŷ Hafan, Hayes Road, Sully, CF64 5XX
Auditors	Bevan Buckland LLP, Swansea
Principal Solicitors	Hutchinson Thomas, Swansea
Principal Bankers	HSBC Plc, Cardiff, Barclays Bank, Cardiff
Investment Managers	Brewin Dolphin Investment Managers

The Board

The following were appointed during the period or are currently registered as non-executive directors and trustees:

Martin Davies	Chairman of the board
Dr Keith Holgate	Deputy chair of the board
Susan Cooper	Appointed 3 February 2023
John Hoskinson	Appointed 30 June 2022
Dr Helen Matthews	Appointed 19 January 2021
Mick McGuire	Appointed 18 January 2021
James Pepper	Appointed 9 April 2020
Matt Sinnott	Appointed 2 August 2023
Sian Thomas	Appointed 29 May 2019
Cathrine Grubb	Resigned 12 June 2023
Dr Huw Jenkins	Resigned 31 August 2023

Chief Executive

Maria Timon Samra	Chief Executive resigned as Chief Executive on 1st March 2024
Jason Foster	Interim Chief Executive from 1st February 2024 – 1st June 2024

Executive directors

The following were in post during the period:

Jason Foster	Director of finance
Tracy Jones	Director of family wellbeing and partnerships
Jenna Lewis	Director of income generation
Sian Middleton	Director of nursing and clinical services
John Mladenovic	Director of marketing & communications and lottery
Zoe Tippins	Director of people services

13. Trustees' responsibilities in relation to the financial statements

The trustees (who are also the directors of Tŷ Hafan for the purposes of company law) are responsible for preparing the trustees' annual report and financial stetements in accordance applicable law and United Kingdom accounting standards (United Kingdom Accepted Accounting Practice).
Company law requires the charity trustees to prepare financial statements for each 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 the financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities SORPS
- 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 company will continue to operate.

The trustees are responsible for keeping adequate accounting records that disclose, with reasonable accuracy at any time, the financial position of the charitable company and 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information (as defined by Section 418 of the Companies Act 2006), of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make them aware of any relevant audit information and to establish that the auditor is aware of that information.

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

Auditors
As part of the periodic requirement to review auditors, the audit services for Tŷ Hafan were put out to tender in 2024 and as a result, Bevan Buckland LLP will not be reappointed at the forthcoming Annual General Meeting.
It has been agreed by the board to appoint Haines Watts as auditors for accounts year ending 31 March 2025.

Approval
This report was approved by the trustees as members of the charitable company on 20th November 2024 and was signed on their behalf by

Martin Davies
Trustee and Chairman of the Board
Date 5th December 2024

14. Independent auditor's report to the members and trustees of Tŷ Hafan

Opinion

We have audited the financial statements of Tŷ Hafan (the 'parent charitable company') and its subsidiaries ('the group') for the year ended 31 March 2024 which comprises the consolidated statement of financial activities, the Consolidated and Parent Charitable Company balance sheets, the Group statement of cash flows 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, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 March 2024 and of the group's profit for the year then ended
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the 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's and the parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorized for issue.

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

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 Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements and
- 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 group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

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

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

Responsibilities of trustees

As explained more fully in the statement of Trustees responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they

give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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 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.

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:

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

We identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, and then, design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

We discussed our audit independence complying with the Revised Ethical Standard 2019 with the engagement team members whilst planning the audit and continually monitored our independence throughout the process.

Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

enquiring of management, including obtaining and reviewing supporting documentation, concerning the Group's and parent charitable company's policies and procedures relating to:

- identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance
- detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud
- Internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations

Discussing among the engagement team how and where fraud might occur in the Financial Statements and any potential indicators of fraud. As part of this discussion, we identified potential for fraud in the following areas.

Obtaining an understanding of the legal and regulatory frameworks that the Group and Parent Charitable company operates in, focusing on those laws and regulations that had a direct effect on the Financial Statements or that had a fundamental effect on the operations of the Group and Parent Charitable Company, the key laws and regulations we considered in this context included the UK Companies Act and relevant tax legislation.

Audit response to risks identified

In addition to the above, our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations
- enquiring of management concerning actual and potential litigation and claims; performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud
- reading minutes of meetings of those charged with governance and reviewing correspondence with HMRC
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments
- assessing whether the judgements made in making accounting estimates are indicative of a potential bias
- evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the 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 company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Alison Vickers (Senior Statutory Auditor)
For and on behalf of Bevan Buckland LLP, Statutory Auditor
Ground Floor
Cardigan House
Castle Court
Swansea Enterprise Park Swansea
SA7 9LA

Date: ..5th December 2024..

15. Tŷ Hafan Consolidated Statement of Financial Activities
(Incorporating the Consolidated Income and Expenditure Account) for the year ended 31 March 2024

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2024 £	Total Funds 2023 £
Income from:					
Donations and Legacies	2	**3,877,611**	**708,561**	**4,586,172**	4,594,129
Charitable Activities					
- Provision of Care	3	**1,693,814**	-	**1,693,814**	1,116,442
Other Trading Activities	4	**3,820,705**	-	**3,820,708**	3,688,869
Investments and other income	5	**297,360**	-	**297,360**	323,002
Total Income		**9,689,490**	**708,561**	**10,398,051**	9,722,442
Expenditure on:					
- Trading Activities	6	**2,981,834**	-	**2,981,834**	2,940,120
Total income net of trading expenditure		**6,707,656**	**708,561**	**7,416,217**	6,782,322
Expenditure on:					
- Raising Funds	6	**1,552,940**	-	**1,552,940**	1,192,743
- Investment Management	6	**57,736**	-	**57,736**	52,176
Net income available for Charitable Activities		**5,096,980**	**708,561**	**5,808,541**	5,537,403
Charitable Activities					
- Provision of Care	7	**5,107,094**	**761,925**	**5,869,019**	5,261,686
Total Expenditure		**9,699,604**	**761,925**	**10,461,529**	9,446,725
Net income before gains/(losses) on investments		**(10,114)**	**(53,364)**	**(63,478)**	275,717
Net gains /(losses) on investments		**1,154,538**	-	**1,154,538**	(626,920)
Net Income / (Expenditure)		**1,144,424**	**(53,364)**	**1,091,060**	(351,203)
Gross transfers between funds	22	**8,112**	**(8,112)**	-	-
Net movement in funds		1,152,536	(61,476)	1,091,060	(351,203)
Reconciliation of Funds					
Funds balances brought forward	22	**17,983,473**	**813,285**	**18,796,758**	19,147,961
Fund balances carried forward	22	**19,136,009**	**751,809**	**19,887,818**	18,796,758

The consolidated statement of financial activities includes all gains and losses recognised in the year.
All incoming resources and resources expended derive from continuing activities.

Tŷ Hafan
Group and Charity Balance Sheet
At 31 March 2024

	Note	2024 £ Group	2024 £ Charity	2023 £ Group	2023 £ Charity
Fixed assets					
Tangible Assets	15	**6,154,838**	**6,154,838**	5,828,607	5,828,607
Investments	16	**13,369,313**	**13,379,314**	12,476,891	12,486,892
		19,524,151	**19,534,152**	18,305,498	18,315,499
Current assets					
Stock	17	**5,655**	-	5,127	-
Debtors	18	**1,482,208**	**1,630,974**	1,007,400	1,153,283
Cash at bank		**788,929**	**459,606**	1,309,343	965,260
		2,276,792	**2,090,480**	2,321,870	2,118,543
Current liabilities					
Creditors: Amounts falling due within one year	19	**(1,407,005)**	**(1,245,059)**	(1,319,571)	(1,138,517)
Net current assets		**869,787**	**845,421**	1,002,299	980,026
Provisions for liabilities and charges	20	**(506,120)**	**(506,120)**	(511,039)	(511,039)
Net Assets		**19,887,818**	**19,873,453**	18,796,758	18,784,486
Funds					
Restricted	22	**751,809**	**751,809**	813,285	813,285
Unrestricted	22	**19,136,009**	**19,121,644**	17,983,473	17,971,201
		19,887,818	**19,873,453**	18,796,758	18,784,486

The financial statements were approved by the Board of Directors on 5th December 2024 .....MDavies..... and were signed on its behalf by:

.....

Martin Davies - Trustee and Chair of the Board

Tŷ Hafan
Group Statement of Cash Flows
for the year ended 31 March 2024

	Note	2024 £	2023 £
Net cash (used in) provided by operating activities	24	**(274,597)**	735,191
Cash flows from investing activities:			
Deposit interest received	5	**1,740**	7
Payments to acquire tangible fixed assets	15	**(747,557)**	(210,803)
Transfer of cash held from investments		**500,000**	-
Net cash provided by (used in) investing activities		**(245,817)**	(210,796)
Change in cash and cash equivalents in the reporting period		**(520,414)**	524,395
Cash and cash equivalents at the beginning of the year		**1,309,343**	784,948
Cash and cash equivalents at the end of the year		**788,929**	1,309,343

Analysis of cash and cash equivalents	**31 March 2024** **£**	**31 March 2023** **£**
Cash at bank and in hand	**788,929**	1,309,343
Total cash and cash equivalents	**788,929**	1,309,343

Analysis of changes in net debt	**31 March 2023** **£**	**Cash flow** **£**	**31 March 2024** **£**
Cash	**1,309,343**	(520,414)	**788,929**
Total	**1,309,343**	(520,414)	**788,929**

1. ACCOUNTING POLICIES

Basis of preparation
The financial statements of the Charitable Company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention or transaction value unless otherwise stated in the relevant accounting policy note(s).

The Charitable Company's functional and presentational currency is the pound sterling (£), and balances are rounded to the nearest £1.

Preparation of the accounts on a going concern basis
At the time of approving the accounts, the Trustees have a reasonable expectation that the Charity, and the Group, have adequate resources to continue in operational existence for the foreseeable future. The Trustees have reviewed the reserves policy which supports the long-term business plan of the Charity. Thus, the trustees continue to adopt the going concern basis of accounting in preparing the accounts.

Basis of consolidation
The group financial statements consolidate those of Tŷ Hafan and its subsidiary undertakings, Tŷ Hafan Trading Limited and Crackerjackpot Limited (see note 16), made up to 31 March 2024, on a line by line basis.

The consolidated entity is known as the 'Group'. Accounting policies specific to the Charitable Company or group in total are laid out below.

No separate company Statement of Financial Activities (SOFA) has been prepared for the Charitable Company as permitted by Section 408 of the Companies Act 2006.

Incoming resources
Income is recognised when the Charitable Company has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measure reliably. It is derived from the activities outlined below.

Donations and similar incoming resources are recognised when they are received. Where refundable income is received in respect of a specified event or project, the income is deferred until completion of that event or project.

1. ACCOUNTING POLICIES (continued)

Pecuniary and residuary legacies are recognised on a case by case basis following the granting of probate and when the administrator/executor for the estate has communicated in writing the amount and of the legacy. In the event that the legacy is in the form of an asset other than cash or a financial asset traded on a recognised stock exchange, recognition is subject to the value for the legacy being reliably measurable with a degree of reasonable accuracy and the title to the asset being transferred to the Charitable Company. Reversionary legacies are not recognised during the lifetime of the original beneficiary under the will. An estimate of the total number and value of all open legacy cases which do not meet the above conditions, but to which the Charitable Company may be entitled is disclosed within the notes to the accounts.

Donated goods capitalised as tangible fixed assets are included as 'Income from Donations and Legacies' at their market value at the time of receipt.

Gift Aid receivable is included in income when there is a valid declaration from the donor.

Grants (including government grants) which are received to fund specific purposes are recognised as restricted incoming resources in the year in which the Charitable Company is entitled to the funds. Revenue grants are credited as incoming resources when they are receivable, provided conditions for receipt have been complied with.

No grants have unfulfilled conditions.

Fees receivable from Welsh Local Health Boards in respect of respite care are accrued.

The value of the goods donated for sale in the shops operated by the Charitable Company is recognised at the point of sale unless it is practicable for the goods to be measured at fair value on receipt. For these items the value is recognised as stock on the balance sheet and the released to the income statement when the item is sold.

The income for the weekly membership lottery is recognised when it is received except for money received in advance of the draw to which it relates, which is treated as deferred income.

Investment income comprises bank deposit interest and dividends and interest arising from discretionary investment activities. Investment income arising from discretionary investment activities is re-invested by the Investment Managers.

1. ACCOUNTING POLICIES (continued)

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 headings:

- Costs of raising funds; includes the direct costs of operating the Charitable Company's shops, membership lottery and appeals office together with an apportionment of head office costs to reflect the support provided to the fundraising operations. The direct costs of operating the Charitable Company's shops do not include any valuation of donated goods sold.

- Costs of charitable activities; includes the direct costs of operating care services together with an apportionment of head office costs to reflect the support provided to these activities.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

Allocation of support and governance costs
Support costs are those functions that assist the work of the Charitable Company but do not directly undertake charitable activities. Support costs have been allocated between governance costs and other support costs. Governance costs comprise all costs involving the public accountability of the Charitable Company and its compliance with regulation and good practice. These costs include costs related to statutory audit and legal fees together with an apportionment of overhead and support costs.

The bases on which support costs have been allocated are set out in note 8.

Taxation
The charitable members of the group are exempt from income and corporation taxes on income and gains to the extent that they are applied for their charitable objects. The trading subsidiaries do not generally pay UK Corporation Tax because their policy is to pay taxable profits to the Charitable Company as gift aid.

Tangible fixed assets
All tangible fixed assets are included at cost less accumulated depreciation. Items of a capital nature costing less than £1,000 are not capitalised. There are no heritage assets.

At present there are no circumstances existing to suggest that an impairment review of the carrying value of fixed assets is required. This position is reviewed on an annual basis. Any impairment is recognised in the year in which it occurs.

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1. ACCOUNTING POLICIES (continued)

Depreciation
Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Medical equipment	20% on cost
Hospice development	5% and 10% on cost
Freehold Land & Building	2% on cost
Office equipment	20% on cost
Computer equipment	33% on cost
Fixtures and fittings	20% on cost
Motor Vehicles	25% reducing balance

Assets under construction are carried at cost and are not depreciated until they come into use.

Investments
Assets held for investment purposes are valued at fair value (their market value) at the balance sheet date, except for investments in trading subsidiaries, which are held at cost, as the trustees believe that the market value of the trading subsidiary is not materially different to its cost.

Realised gains and losses on investments are calculated as the difference between sales proceeds of these investments and their market value at the start of the year, or their subsequent costs, and are charged or credited to the statement of the financial activities in the period of disposal.

Unrealised gains and losses represent the movement in market values during the year and are credited or charged to the statement of financial activities based on the market value at the year-end.

Investments in Subsidiaries
Investment in subsidiary entities are held at cost less impairment.

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

Stocks
Stocks represent purchased stock items only and are stated at the lower of cost and estimated net realisable value. Where necessary, provision is made for obsolete, slow moving and defective stocks. Stock does not include goods donated for sale in the Group's charity shops unless it is practicable for the goods to be measured at fair value on receipt.

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1. ACCOUNTING POLICIES (continued)

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

Creditors and provisions
Creditors and provisions are recognised where the Charitable Company 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.

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

Fund accounting policy
Unrestricted funds are those which are available for use at the discretion of the Board of Directors in furtherance of the general objectives of the Charitable Company and which have not been designated for other purposes.

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

Designated funds are unrestricted funds of the Charitable Company, which the trustees have decided at their discretion to set aside to use for a specific purpose.

Operating lease agreements
Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the statement of financial activities on a straight-line basis over the period of the lease.

Pension costs

Contributions in respect of defined contribution pension schemes are charged to the statement of financial activities in the period in which they are payable.

The Charitable Company also participates in the NHS Pension Scheme, a defined benefit pension scheme, but it is unable to identify its share of the underlying assets and liabilities. The pension costs charged against net incoming resources are the contributions payable to the scheme in respect of the accounting period.

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1. ACCOUNTING POLICIES (continued)

Critical accounting estimates and assumptions
The Charitable Company makes estimates and assumptions concerning the future. The resulting accounting estimates will by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next year are addressed below:

(I) Useful economic lives of tangible assets
The annual depreciation charge for tangible assets is sensitive to changes in the estimate useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimate, based on technological advancement, future investments, economic utilisation and the physical condition of the assets, see note 15 for the carrying amount of each class of asset held, and above for the useful economic lives for each class of assets.

(II) Impairment of debtors
The Charitable Company makes estimates of the recoverable value of debtors. When assessing the impairment of debtors, management consider factors including the current credit rating of the debtor, the ageing profile of debtors and historic experience. See note 18 for the net carrying amount of debtors and associated impairment provision.

(III) Provisions
Provision is made for the dilapidation on leasehold premises. These provisions require management's best estimate of the costs that will be incurred based on legislative and contractual requirements. (See note 20).

(IV) Income recognition of legacies
Residuary legacies have been recognised using a case by case basis when the amount receivable can be measured accurately following written confirmation from the estate executor/administrator. Management have accrued for a percentage of the legacy pipeline which is consistent with experience over the last four years.

2. INCOME FROM DONATIONS AND LEGACIES

	Unrestricted Funds	Restricted Funds	Total Funds 2024	Total Funds 2023
	£	£	£	£
Donations, appeals and similar income	**2,247,307**	**708,561**	**2,955,868**	2,742,938
Legacies	**1,630,304**	-	**1,630,304**	1,827,540
Covid Funding	-	-	-	23,651
	3,877,611	**708,561**	**4,586,172**	4,594,129

During the year no COVID-19 government support was received :

	2024	2023
	£	£
Covid Insurance Claim	-	23,651
	-	23,651

There are no unfulfilled conditions attached to the above grants received.

In accordance with the Charities SORP (FRS102) the Charitable Company accounts for legacies as receivable when conditions for entitlement have been met; and receipt of the income can be measured accurately. An external notification service is used to notify the Charitable Company of bequests and a system of monitoring ensures that the legacy is tracked until receipt.

At the year-end the Charitable Company had 85 (2023: 74) open legacy cases which had not met all of the above conditions. Should indicative amounts be received in respect of these legacies the Charity could benefit from a further £1,953,936 (2023 £1,632,799) in the future. In applying the requirements of the Charities SORP (FRS 102) in measuring income when it can be accurately measured, an accrual of £29,650 (2023: £142,973) has been included in the accounts for legacy bequests.

3. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted Funds	Restricted Funds	Total Funds 2024	Total Funds 2023
	£	£	£	£
Local Health Authorities	**1,103,255**	-	**1,103,255**	1,068,890
Public Funding	**590,559**	-	**590,559**	47,552
	1,693,814	-	**1,693,814**	1,116,442

4. INCOME FROM OTHER TRADING ACTIVITIES

	Unrestricted Funds	Restricted Funds	Total Funds 2024	Total Funds 2023
	£	£	£	£
Retail activities	**2,200,915**	-	**2,200,915**	2,052,407
Membership lottery	**1,619,790**	-	**1,619,790**	1,636,462
	3,820,705	-	**3,820,705**	3,688,869

5. INVESTMENT AND OTHER INCOME

	Unrestricted Funds	Restricted Funds	Total Funds 2024	Total Funds 2023
	£	£	£	£
Listed investment Income	**295,620**	-	**295,620**	322,995
Interest Received	**1,740**	-	**1,740**	7
	297,360	-	**297,360**	323,002

6. EXPENDITURE ON TRADING ACTIVITIES AND RAISING FUNDS

	Unrestricted	Restricted	Total 2024	Total 2023
	£	£	£	£
Retail Expenditure	**2,054,878**	-	**2,054,878**	2,049,865
Membership Lottery	**926,956**	-	**926,956**	890,255
Donations, appeals, legacies and similar income	**1,552,940**	-	**1,552,940**	1,192,743
Investment Management Costs	**57,736**	-	**57,736**	52,176
	4,592,510	-	**4,592,510**	4,185,039

7. EXPENDITURE ON CHARITABLE ACTIVITES

	Unrestricted	Restricted	Total 2024	Total 2023
	£	£	£	£
Provision of Care:				
Direct Costs	**3,841,561**	**761,925**	**4,603,486**	4,096,842
Support Costs (see note 8)	**1,265,533**	-	**1,265,533**	1,164,844

5,107,094	**761,925**	**5,869,019**	5,261,686

8. SUPPORT COSTS

Cost Categories	Charitable Activities	Donations & Legacies	Membership Lottery	Retail	Total 2024	Basis
	£	£	£	£	£	
Management	131,449	33,111	23,918	46,641	235,119	Average Head Count
Finance	320,333	84,382	62,972	122,560	580,247	Average Head Count
Governance (note 9)	131,990	-	-	-	131,990	Time Spent
IT	110,171	29,303	17,812	42,832	200,118	Average Head Count
Human Resources	287,613	75,979	47,250	110,562	521,404	Average Head Count
PR & Marketing	283,977	76,963	45,309	111,416	516,655	Time Spent
	1,265,533	298,728	197,261	434,011	2,185,533	

All costs are attributed by activity on the basis of head count or time spent on each activity. As the Charitable Company has only one charitable activity all support costs are allocated to this activity.

9. GOVERNANCE COSTS

Analysed as:	Unrestricted	Restricted	Total 2024	Total 2023
	£	£	£	£
Salary costs	116,971	-	116,971	108,116
Audit fees	13,450	-	13,450	10,239
Accounting services	1,550	-	1,550	-
Legal and professional	19	-	19	56
Trustee's expenses	-	-	-	-
	131,990	-	131,990	118,411

10. NET INCOME

The net surplus / (deficit) is stated after charging:

	2024	2023
	£	£
Operating leases	326,005	342,237
Fees payable to the Charitable Company's auditor for the audit of the group	13,450	10,673
Depreciation of owned assets	421,326	478,394

11. TRUSTEES' REMUNERATION AND BENEFITS

	2024	2023
	£	£
Trustees Expenses	-	-

During the year, 0 (2023:0) Trustees were reimbursed for miscellaneous expenses.

12. EMPLOYEES' REMUNERATION

a) Staff costs
Staff costs during the year were:

	2024	2023
	£	£
Wages and salaries	**5,875,249**	5,361,259
Social security costs	**531,498**	492,409
Pension costs	**356,252**	337,296
Redundancy and Termination Costs	**14,970**	21,131
	6,777,969	6,212,095

The key management personnel of the Charitable Company are the Chief Executive Officer, the Director of Nursing and Clinical Services, the Director of Family Wellbeing and Outreach Services, the Director of Finance, the Director of Income Generation, the Director of People Services and the Director of Marketing Communications and Lottery. The employee benefits of key management personnel for the year totalled £546,893 (2023: £477,490). During the year there have been no ex-gratia payments to staff.

b) Staff numbers – average head count

	2024	2023
	No.	No.
Care Staff	**90**	91
Donations & Legacies	**24**	23
Retail Staff	**48**	48
Lottery staff	**8**	9
Central services	**21**	23
	191	194

c) Higher paid staff

The number of employees whose gross emoluments fall within each band of £10,000 from £60,000 upwards are as follows:

	2024	2023
	No.	No.
£60,001 to £70,000	**1**	1
£70,001 to £80,000	**1**	1
£80,001 to £90,000	**1**	-
£90,001 to £100,000	**-**	-
£100,001 to £110,001	**1**	1

The Charitable Company also made pension contributions on behalf of the above employees totalling £45,275 (2023: £38,190) which have not been included within the banding categories above.

13. TAXATION

As a registered charity, Tŷ Hafan is entitled to the exemptions from taxation in respect of income and capital gains received within Sections 478 - 489 of the Corporation Tax Act 2010 and section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that these are applied to its charitable objects purposes only.

The trading subsidiary, Tŷ Hafan Trading Limited, has utilised previous taxation losses against taxable profit for the year and hence there are no amounts chargeable to corporation tax.

The trading subsidiary, Crackerjackpot Limited, has gifted taxable profits arising during the year to its charitable parent Tŷ Hafan Limited and hence there are no amounts chargeable to corporation tax.

As a consequence of the above, no tax charges have arisen in the group.

14. CHARITABLE COMPANY RESULTS

The Charitable Company has taken advantage of Section 408 of the Companies Act 2006 and has not included its own income and expenditure account in these financial statements. The results of Tŷ Hafan (the Charitable Company) are summarised below:

	2024	2023
	£	£
Total incoming resources	**9,614,245**	8,957,290
Total resources expended	**(9,679,816)**	(8,681,907)
Net incoming resources	**(65,571)**	275,383
Net unrealised investment gain/(loss)	**1,154,538**	(626,920)
Net movement in funds	**1,088,967**	(351,537)
Funds:		
As 1 April	**18,784,486**	19,136,023
At 31 March	**19,873,453**	18,784,486

The above results include £769,479 (2023: £808,809) in gift aid donations received by the Charitable Company from its trading subsidiary Crackerjackpot Limited.

15. TANGIBLE FIXED ASSETS

Group and Charity

	Freehold Land and Buildings	Fixtures and Fittings	Equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 April 2023	8,542,184	1,218,925	725,121	97,899	**10,584,129**
Additions	723,291	-	24,266	-	**747,557**
Reclassification	(8,167)	6,506	1,184	477	-
Disposals	-	-	-	-	-
At 31 March 2024	9,257,308	1,225,431	750,571	98,376	**11,331,686**
Depreciation					
At 1 April 2023	2,926,027	1,156,454	579,040	94,001	**4,755,522**
Charge for the year	307,066	26,708	83,177	4,375	**421,326**
Revaluations	-	-	-	-	-
Disposals	-	-	-	-	-
At 31 March 2024	3,233,093	1,183,162	662,217	98,376	**5,176,848**
Net Book Value					
At 31 March 2024	**6,024,216**	**42,269**	**88,354**	-	**6,154,838**
At 31 March 2023	**5,616,157**	**62,471**	**146,081**	**3,898**	**5,828,607**

16. FIXED ASSET INVESTMENTS

Total fixed asset investments comprise:

	2024		2023	
	Group	Charity	Group	Charity
	£	£	£	£
Interests in subsidiary undertakings	-	**10,001**	-	10,001
Market value of other fixed asset investments	**13,369,313**	**13,369,313**	12,476,891	12,476,891
	13,369,313	**13,379,314**	12,476,891	12,486,892

FIXED ASSET INVESTMENTS (CONTINUED)

Interests in group undertakings

At 31 March 2024, the Charitable Company held 100% of the allotted ordinary share capital of the following subsidiaries:

	Country of Incorporation	Class of Share Capital Held	Company Number	Nature of Business	Capital and Reserves £	Result for the Financial Year £
Tŷ Hafan Trading Limited	England & Wales	Ordinary shares	05129825	Trading Merchandise	14,366	2,093
Crackerjackpot Limited	England & Wales	Ordinary shares	08221671	Lottery Operations	10,000	-

Other fixed asset investments were held as follows:

	2024 Group and Charity £	2023 Group and Charity £
Listed investments		
Market value at 1 April	**12,476,891**	12,837,993
Additions	**4,174,091**	2,062,442
Disposals	**(3,661,791)**	(1,788,075)
Cash movement	**(774,416)**	(8,549)
Revaluation	**1,154,538**	(626,920)
Market value at 31 March	**13,369,313**	12,476,891
Cash included in total	**93,343**	867,758
Historical cost	**11,845,748**	12,107,828

The market value at 31 March 2024 comprises a sum of £13,292,048 managed by Brewin Dolphin (2023: £12,395,033). Also included in the market value are £77,265 (2023: £81,858) of shares which were bequeathed to the Charity taking the investment portfolio to £13,369,313 at the balance sheet date.

Income generated totalling £295,620 (2023: £322,995) was invested after deduction of management charges of £57,736 (2023: £52,176). The investments are unrestricted. During the year there were £500,000 (2023: £0) withdrawals from the investment portfolio to fund capital and other programme expenditure. The portfolio includes £5,246,457 (2023: £5,589,565) invested in UK investments and £8,122,856 (2023: £6,887,326) invested in overseas investments.

17. STOCKS

	2024		2023	
	Group	Charity	Group	Charity
	£	£	£	£
Retail goods held for sale	5,655	-	5,127	-

18. DEBTORS

	2024		2023	
	Group	Charity	Group	Charity
	£	£	£	£
Trade Debtors	417,812	417,812	460,649	460,649
Prepayments and accrued income	888,422	882,396	478,799	444,668
Due from subsidiary undertakings	-	154,792	-	180,014
Employee benefit schemes	4,867	4,867	2,405	2,405
VAT recoverable	171,107	171,107	65,547	65,547
	1,482,208	1,630,974	1,007,400	1,153,263

Debtors are stated after provisions for impairment of £Nil (2023: £Nil).

19. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2024		2023	
	Group	Charity	Group	Charity
	£	£	£	£
Trade creditors	**355,999**	**347,700**	142,445	129,946
Owed to subsidiary undertakings	-	**8,711**	-	7,146
Social security and other taxes	**197,122**	**189,010**	164,555	157,371
Accruals	**309,698**	**289,392**	320,495	306,750
Deferred income	**544,186**	**410,246**	692,076	537,304
	1,407,005	**1,245,059**	1,319,571	1,138,517

CREDITORS: DEFERRED INCOME

Deferred income consists of income received in respect of future draws of the group's weekly membership lottery, and grants to be utilised in future periods.

	2024		2023	
	Group	Charity	Group	Charity
	£	£	£	£
As at 1 April	**692,076**	**537,304**	326,973	169,692
Amounts released to incoming resources	**(1,092,737)**	**(868,018)**	(223,194)	(65,913)
Amounts deferred in the year	**944,847**	**740,960**	588,297	433,525
As at 31 March	**544,186**	**410,246**	692,076	537,304

20. PROVISIONS FOR LIABILITIES AND CHARGES

	2024		2023	
	Group	Charity	Group	Charity
	£	£	£	£
As at 1 April	511,039	511,039	502,306	502,306
Additions	8,081	8,081	8,733	8,733
Charged during the year	(13,000)	(13,000)	0	0
As at 31 March	506,120	506,120	511,039	511,039

The nature of the Charitable Company's activities requires it to enter into lease agreements for various items of equipment, property and vehicles.

The provision relates to management's best estimate of costs in respect of such items beyond fair wear and tear for which the Charitable Company is liable under the terms of each agreement.

21. PENSION SCHEMES

The Charitable Company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the Charitable Company to the scheme and amounted to £273,818 (2023: £255,492).

There were no outstanding or prepaid contributions at either the beginning or end of the financial year.

The Charitable Company also contributes to the NHS Pension scheme, whose fund is held independently of the Charitable Company. The scheme is an unfunded defined benefit scheme but the Charitable Company is unable to identify its share of the underlying assets and liabilities.

Employer contribution rates are reviewed every four years following a scheme valuation carried out by the government actuary. On the advice of actuary, the contributions may be varied from time to time to reflect changes in the scheme`s liabilities.

The last formal actuarial valuation undertaken for the NHS Pension Scheme was completed as at 31 March 2020 (published in April 2024). The primary purpose of the formal actuarial valuations is to set employer and employee contribution rates from April 2024. The Department of Health and Social Care have recently laid Scheme Regulations confirming that the employer contribution rate will increase to 23.7% of pensionable pay from 1 April 2024.

The contributions to this NHS scheme in the year were £75,504 (2023: £83,150)

The Charitable Company has made no employer contributions into employee personal pension schemes.

22. MOVEMENT IN FUNDS – GROUP

	Balance at 1 Apr 2023 £	Incoming resources £	Outgoing resources £	Transfers £	Unrealised gain on investments £	Balance at 31 Mar 2024 £
Unrestricted funds						
General funds	9,750,718	9,689,490	(9,684,950)	(589,299)	1,154,538	**10,320,497**
Designated Funds						
Care in Community	40,013	-	-	-	-	**40,013**
Fixed Assets	5,204,354	-	-	416,171	-	**5,620,525**
Planned Deficits	2,187,760	-	-	181,240	-	**2,369,000**
Major Capital Projects	500,000	-	-	-	-	**500,000**
Hospice Staff Costs	125,000	-	-	-	-	**125,000**
Transition	175,828	-	(14,654)	-	-	**160,974**
	8,232,755	-	(14,654)	597,411	-	**8,815,512**
Restricted funds						
Building	580,600			(8,112)	-	**572,488**
Hospice Equipment	15,528	23,000	(30,265)	-	-	**8,263**
Staff Costs	99,732	457,786	(510,516)	-	-	**47,002**
Hospice Service Users	13,918	23,742	(26,750)	-	-	**10,910**
Hospice Building Capital Works	95,956	150,241	(135,863)	-	-	**110,334**
Hospice IT	-	-	-	-	-	-
Garden Works Project	2,437	2,457	(2,082)	-	-	**2,812**
Care in Community	5,114	51,335	(56,449)	-	-	-
-						
	813,285	708,561	(761,925)	(8,112)	-	**751,809**
	18,796,758	10,396,051	(10,461,529)	-	1,154,538	**19,887,818**

Included within the above general funds are funds of the subsidiaries amounts to £14,366 (2023: £12,273) all of which are unrestricted.

MOVEMENT IN FUNDS – GROUP (CONTINUED)

General Funds:

General funds are available for use at the trustees' discretion in furtherance of the objectives of the Charitable Company. Included in general funds is the revaluation gain of investments to market value of £1,154,538 (2023: revaluation loss of £626,920).

Fund Transfers:

During the year £8,112 (2023 £8,117) was transferred from restricted funds to unrestricted funds. This relates to the depreciation charge on the building asset funded by the Welsh Government held in restricted funds (see note below).

Restricted Funds:

The Big Lottery provided funds towards an extension to the hospice in 2015 and equipment. This fund is charged with the depreciation arising thereon.

Welsh Government provided funding towards the purchase of the hospice freehold land. This land was purchased in 2010 and has been capitalised in the financial statements.

During the year we were also kindly donated funds towards the refurbishment of the hospice sanctuary space, staffing for bereavement, play and transition services.

Designated Funds:

Included in the Unrestricted Funds are 3 donations received that have been designated for specific future expenditure, a total of £125,000 has been ring fenced for hospice staff costs, £40,013 for providing care in the community and a legacy donation of £160,974 which is being spent on resources to help the transition between child and adult services. There is also an allowance for the funds invested in the hospice and office building of £5,620,525, a provision of £2,369,000 to cover a planned deficit for the 2024/25 & 2025/26 financial years and a £500,000 provision for major capital projects where grant funding is not available.

23. ANALYSIS OF NET ASSETS BETWEEN FUNDS

GROUP

	Fixed assets	Investments	Net current assets	Provision	Total
	£	£	£	£	£
Unrestricted funds	5,582,350	13,189,992	869,787	(506,120)	**19,136,009**
Restricted funds	572,488	179,321	-	-	**751,809**
Total funds	**6,154,838**	**13,369,313**	**869,787**	**(506,120)**	**19,887,818**

CHARITY

	Fixed assets	Investments	Net current assets	Provision	Total
	£	£	£	£	£
Unrestricted funds	5,582,350	13,199,993	845,421	(506,120)	**19,121,644**
Restricted funds	572,488	179,321	-	-	**751,809**
Total funds	**6,154,838**	**13,379,314**	**845,421**	**(506,120)**	**19,873,453**

24. RECONCILIATION OF INCOME/(EXPENDITURE) TO NET CASH FLOWS FROM OPERATING ACTIVITIES

	Note	2024 £	2023 £
Surplus / (Deficit) of income over expenditure		1,091,060	(351,203)
(Gains) / Losses on investments	16	(1,154,538)	626,920
Net investment income and bank interest payable	5	(297,360)	(323,001)
Investment portfolio management fees	6	57,736	57,176
Depreciation	15	421,326	478,394
Disposals / Revaluation Movement	15	-	(45,219)
Increase in stock	17	(528)	(1,667)
Decrease / (Increase) in debtors	18	(474,808)	(166,859)
Increase in creditors	19	87,434	451,917
Movement in provision for liabilities and charges	20	(4,919)	8,733
Net cash outflow from operating activities		(274,597)	735,191

25. CAPITAL COMMITMENTS

As at 31 March 2024, the Charity had capital commitments totalling £248,415 (2023: £0).

26. OPERATING LEASE COMMITMENTS

As at 31 March 2024, the group had annual commitments under non-cancellable operating lease arrangement as follows:

	2024		2023	
	Group £	Company £	Group £	Company £
Land and Buildings				
Leases expiring within one year	62,300	62,300	142,717	142,717
Leases expiring within 2 to 5 years	16,358	16,358	80,825	80,825
Leases expiring within greater than 5 years	-	-	-	-
	78,658	78,658	223,542	223,542
Other Operating				
Leases expiring within one year	4,248	4,248	10,086	10,086
Leases expiring within 2 to 5 years	-	-	5,625	5,625
Leases expiring within greater than 5 years	-	-	-	-
	4,248	4,248	15,711	15,711

27. LEGAL CHARGE

The Charitable Company has entered into a covenant with the New Opportunities Fund to discharge all monies and liabilities which shall from time to time be due as set out in the grant contract. As part of the agreement to award the Charitable Company a grant to fund the building of the new Hospice extension as continuing security for the payment and discharge of the liabilities, the New Opportunities Fund have been granted a first legal mortgage over the land and premises at Sully, Penarth, which has a net book value of £6,024,215 (2023: £5,616,157), and the Charitable Company assigns to the fund by way of first fixed equitable charge each and all of the insurance and all future easements and other rights at any time vested in or conferred on the Charitable Company in connection with or otherwise for the benefit of the property.

28. CONTINGENT LIABILITY

Sale of Land

As part of the agreement to purchase the freehold of the land on which the hospice is built an overage agreement applies to future development which is payable to the previous freeholder. The restriction is in place until 2035. It is not possible at this time to quantify any contingent liability arising.

29. MEMBERS' LIABILITY

The Charitable Company is a private company limited by guarantee and consequently has no share capital. Each of the members is liable to contribute an amount not exceeding £1 towards the assets of the Charitable Company in event of liquidation.

30. RELATED PARTY DISCLOSURES

The Charitable Company is exempt from disclosing transactions with its subsidiaries under the provisions of FRS 102, as the subsidiaries are 100% controlled by the Charitable Company.

31. INDEMNITY INSURANCE

The group has taken out Charity and Charity Trustees Indemnity Insurance at a cost of £499 (2023: £499).

32. PRIOR YEAR STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted Funds	Restricted Funds	Total Funds 2023
	£	£	£
Income from:			
Donations and Legacies	4,382,330	211,799	4,594,129
Charitable Activities			
- Provision of Care	1,116,442	-	1,116,442
Other Trading Activities	3,688,869	-	3,688,869
Investments and other income	323,002	-	323,002
Total income	9,510,643	211,799	9,722,442
Expenditure on:			
- Trading Activities	2,940,120	-	2,940,120
Total income net of trading expenditure	6,570,523	211,799	6,782,322
Expenditure on:			
- Raising Funds	1,192,743	-	1,192,743
- Investment Management	52,176	-	52,176
Net income available for Charitable Activities	5,325,604	211,799	5,537,403
Charitable Activities			
- Provision of Care	4,993,544	268,142	5,261,686
Total Expenditure	9,178,583	268,142	9,446,725
Net income before gains/(losses) on investments	332,060	(56,343)	275,717
Net gains/(losses) on investments	(626,920)	-	(626,920)
Net Income / (Expenditure)	(294,860)	(56,343)	(351,203)
Gross transfers between funds	8,117	(8,117)	-
Net movement in funds	(286,743)	(64,460)	(351,203)
Reconciliation of Funds			
Funds balances brought forward	18,270,216	877,745	19,147,961
Fund balances carried forward	17,983,473	813,285	18,796,758

33. PRIOR YEAR MOVEMENT IN FUNDS – GROUP

	Balance at 1 Apr 2022	Incoming resources	Outgoing resources	Transfers	Unrealised gain on investments	Balance at 31 Mar 2023
	£	£	£	£	£	£
Unrestricted funds						
General funds	10,789,789	9,510,643	(9,107,929)	(814,865)	(626,920)	9,750,718
Designated Funds						
Care in Community	40,013	-	-	-	-	40,013
Fixed Assets	5,343,132	-	-	(138,778)	-	5,204,354
Planned Deficits	1,226,000	-	-	961,760	-	2,187,760
Major Capital Projects	500,000	-	-	-	-	500,000
Hospice Staff Costs	125,000	-	-	-	-	125,000
Transition	246,282	-	(70,654)	-	-	175,628
	7,480,427	-	(70,654)	822,982	-	8,232,755
Restricted funds						
Building	588,717	-	-	(8,117)	-	580,600
Hospice Equipment	39,487	16,000	(39,959)	-	-	15,528
Staff Costs	183,593	65,952	(149,813)	-	-	99,732
Hospice Service Users	31,159	25,171	(42,412)	-	-	13,918
Hospice Refurbishment Appeal	-	96,206	(250)	-	-	95,956
Hospice IT	-			-	-	-
Garden Works Project	34,789	3,356	(35,708)	-	-	2,437
Care in Community	-	5,114		-	-	5,114
	877,745	211,799	(268,142)	(8,117)	-	813,285
	19,147,961	9,722,442	(9,446,725)	-	(626,920)	18,796,758

TY HAFAN

England & Wales - Charity number 1047912

Accounts

Annual report and financial statements
For the year ended 31 March 2023

Tŷ Hafan – the hospice for children in Wales
www.tyhafan.org
Registered Charity No. 1047912
Company No. 3077406

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Trustees' Statement

The trustees confirm that their annual report and the accounts of the Charity and its subsidiaries for the year ending 31 March 2023, have been prepared in accordance with:

- the Companies Act 2006
- the Charities Act 2011
- Tŷ Hafan's Articles of Association
- the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102).

Chairman's introduction

As we approach our twenty-fifth anniversary, the need for Tŷ Hafan's services becomes more and more apparent. We are seeing increased life expectancy for children with complex conditions and the demand on paediatric palliative care is growing. Tŷ Hafan has adapted our services to ensure we can care and support children with life-shortening conditions and their families when and where they need us.

Tŷ Hafan's trustees remain mindful of our role in leading the Charity to deliver on our vision and purpose, to understand how best we develop our services to meet the needs of our children and their families, and how to approach the future in the ever-changing health and social care landscape. We have seen how the shadow cast by the pandemic continued to impact our work in a multitude of ways: nursing staff had to endure working in PPE, the difficulties in recruiting nursing staff was exacerbated, and fundraising activities continued to be negatively impacted. However, we also witnessed care staff determined to deliver the care and support that was desperately needed; we saw innovation in the service provision, and we were impressed by the novel and focused activity of our fundraising teams. As a charity we remain bold, determined and steadfast in support of our beneficiaries. We do not stand still.

Tŷ Hafan is also fortunate to enjoy the continued support of generous supporters and fundraisers who enable us to deliver our services around the clock and free of charge at a time when generating income is becoming increasingly difficult. We sincerely thank each and every one of you. Our thanks also extends to the army of volunteers who dedicate their time to a wide array of activities including fundraising, working in shops and hospice care services. We simply could not provide our service without you.

Our ongoing commitment to deliver care and support was highlighted this year by the refurbishment of our hospice "den" area, which focuses on the needs of adolescents, and the increased provision of "play and stay" hubs in communities across Wales, allowing parents the priceless opportunity to spend time with their peers and access family support services.

Tŷ Hafan is uniquely placed to provide care and support for children with life-shortening conditions and their families in Wales. It is a privilege for trustees to lead the Charity and humbling to hear families describe the Charity as their "lifeline". We look forward with an immense degree of pride to commemorating our landmark anniversary in 2024. The drive and insatiable determination to be there for all the families in Wales that need us, whether that is in the hospice, in hospitals, in the home, or in the community, will continue to guide us.

As ever, on behalf of the board, our heartfelt gratitude is extended to our dedicated staff, volunteers, supporters and donors. While many people contribute to running our organisation, Tŷ Hafan undoubtedly belongs to the children we constantly strive to support.

Martin Davies
Chairman

Chief executive's statement

I am pleased to report that 2022/23 was another productive year at Tŷ Hafan, notwithstanding the many challenges thrown up by the cost-of-living crisis and resourcing pressures in the wake of the pandemic.

A positive legacy of COVID-19 was a marked increase in our offering of child and family wellbeing services (initially virtually and, when permitted, in person) across south and west Wales. Seeing the benefit of this, and to address the increasing complexity involved in care services provision at the hospice, upon the resignation of our incumbent director of care, our trustees approved a new senior leadership structure involving a dual directorate focused on hospice and community services respectively:

Director of nursing and clinical services role, supported by introducing a deputy director role focused on clinical governance and service improvement.

Director of family wellbeing and outreach services, recognising the increasingly vital partnership role we play in the health and social care ecosystem in Wales.

Every day these professionals (two of whom are external appointments and one internal) collaborate to ensure that our care services are delivered safely, and children and families remain at the heart of all we do.

A key priority has been filling registered nurse vacancies. As with other care services providers in Wales, we have experienced post-pandemic turnover in an environment where qualified resources are in short supply. To complement our hospice provision, where it has become increasingly challenging to keep up with increasing demand and complexity, we continued to invest in expanding our community provision. Our stay and play hubs, through which we bring our hospice to children and families in the community, received national recognition for innovation[1] and have since become a key feature of our services, which are free at the point of access. We also introduced a youth social action and participation project, funded by Children in Need, which is vital to give voice to older children and young people accessing our services.

In April we welcomed back a former colleague in the capacity of director of income generation, bringing stability and focus to this team and driving our highest levels of income since before the pandemic. Our retail team also delivered increased levels of contribution from a reduced portfolio of 18 shops (2019: 25 shops). A number of new roles were introduced to support efficiencies across the Charity.

Our fantastic volunteers (c.500 in number) continued to play a vital part in ensuring we could be there for the children and families, whether in our retail shops, in the hospice, supporting our head office teams, supporting with fundraising activities or maintaining the lovely gardens at our beautiful coastal hospice site. We were also delighted to host our all-staff conference on-site, our first in-person engagement with all colleagues since before the pandemic.

Throughout the year we delivered a number of strategic business plan projects. For example, our marketing and communications team led a consultative project with internal and external stakeholders to refresh our brand, our vision and our purpose (articulated within the '*Public benefit, vision, purpose, and strategic objectives*' section of this report). Our focus on colleagues, our key asset, was manifold. Building on our

[1] Hospice UK: Examples of Innovation

new vision and purpose, we launched a multi-year cultural change project, engaging colleagues from across the Charity in activities to redefine our values and to inform a team-based behavioural competency framework. To support retention in the post-pandemic era, we trialled hybrid working in our offices, for which feedback was overwhelmingly positive. We were also delighted to promote a number of internal candidates to key roles; delivered leadership and management development programmes and continued to implement initiatives to support colleague wellbeing. A 'care pathways' project and additional professional development programmes were introduced in care, both to ensure learnings from clinical incidents and to support colleagues in delivering safe care in an increasingly acute context.

From a public affairs perspective, we continued to engage with ministers and officials in local and Welsh Government to raise awareness about how we complement the statutory health and care ecosystem, and why our services matter to some of Wales most vulnerable children. Our 'Lifeline Fund' campaign, jointly delivered with Hope House/Tŷ Gobaith in North Wales, resulted in an uplift of £461k in statutory funding from Phase 1 of the Palliative End of Life Care Board's review, but unfortunately no further funding, or inflationary uplift, was received in Phase 2. This leaves Wales' children's hospices firmly at the bottom of the league tables of UK children's hospices in terms of statutory funding and work is ongoing to inform Phase 3 of the review.

Across the Charity, funding of our ever-increasing care costs has been our primary focus throughout the year. Against the backdrop of intense cost pressures, particularly within salaries and utilities, and the resulting potential of falling donations, it felt like a perfect storm for the Charity heading into the 2022/23 financial year. Due to a combination of measures, including rigorous cost containment and diligent fundraising, highlights of which were our 'When life is short, time is precious' match-funding appeal, the successful return of our flagship 'Chefs Night Out' event, last held in 2019, and fantastic support from our corporate partners. I am pleased to report that we ended the year with a surplus of £276k (before investment losses) against a budgeted deficit of £1.4m (revised at half year), and ahead of the previous year's £1.1m deficit before £935k of Covid funding. Prior to investment losses and Covid funding, 2022/23 therefore represented our best results since 2017/18.

I am incredibly proud of, and grateful to, my colleagues and our volunteers for their commitment and dedication to our purpose. However, as ever, we could not have been there without the generous support of the public in Wales, which is particularly appreciated at a time when everyone was – and continues to be - faced with very difficult economic conditions. Through fundraising, challenges and events, playing the Crackerjackpot lottery, donating to, or buying goods from our retail shops, making regular donations or remembering the Charity in their wills, our supporters enabled us to continue to provide our services both in the hospice and across Wales. There is always more to do, and our fantastic corporate supporters, donors and grant funders have enabled us to innovate and invest in continuous improvement. 2023/24 will be a year of building back, as we invest in resources and projects to help us to establish sustainable income sources, and to place us in a strong position when economic conditions return to a more favourable and positive state.

Until then, on behalf of the children and families we support, all of whom face the ultimate unimaginable challenge, thank you for whatever part you played, or continue to play, and for considering us when you are choosing a charity to support. We look forward to our 25th anniversary next year, and to the next quarter of a century, with renewed resolve and commitment to being there for every child and family who needs us.

Thank you for your support. We could not do what we do without you.

Maria Timon Samra
Chief Executive

Tŷ Hafan – being there

Tŷ Hafan offers specialist care and support for children and young people living with life-shortening conditions and their families in Wales. As the children and young people referred to our service are not expected to live beyond 18 years of age, we focus all we do on ensuring a short life is a full life. The care and support provided by Tŷ Hafan continues through bereavement and beyond. Put simply, we are always there.

Tŷ Hafan's multi-disciplinary care services team includes a consultant, specialist nurses, therapists, family support and play professionals. They work in collaboration with GPs and medical experts to deliver child and family focused palliative care and support.

Our service provides seamless support that flows across organisational and geographical boundaries. The Tŷ Hafan hospice in Sully offers a tranquil stay for families and features bespoke medical equipment, a specialist playground, sensory aids and a hydrotherapy pool. We also increasingly offer our services in the home and in the community, reflecting a greater focus on family wellbeing and outreach services.

As the needs of children and families change over time, we re-shape our care and support striving to make it available for families when and where it is needed most. Our care is always holistic, focusing on physical, emotional, social, and spiritual needs.

As a charity we support children and young people with a diverse range of conditions which include severe cerebral palsy, cancer, neuro-muscular conditions and many rare genetic conditions. Some of the children we care for have been diagnosed at, or before birth, some in early childhood, whilst others receive no diagnosis and live with unpredictable health over an extended period with an uncertain prognosis. Wherever and however our services are provided, they are available completely free of charge to children and their families.

Families live each day with the reality of knowing their child may die young. Our unique understanding of how this impacts every part of their life shapes the care we provide. In all cases, this is tailored and heartfelt, and designed to meet the individual needs of a child and family. This means that throughout our journey with the child and their family we help them make the most of every moment, enabling them to focus on living whilst acknowledging dying.

Such long periods of illness and extended uncertainty inevitably place a huge strain on family life, so our support is inclusive, encompassing the wider family including parents and siblings. When the time comes, our support continues after the death of a child, and we are there for bereaved families for as long as they need us.

Quite simply, Tŷ Hafan provides support that would not be available to children with life-shortening conditions and their families in Wales from anywhere else.

Care at Tŷ Hafan's hospice

While we have prioritised residential care for children and families with the greatest need and for children at the very end of life, we continue to extend our hospice based play and therapy services to families on a day care and drop in basis throughout 2022/23. Our newly refurbished 'Den', a bespoke area for adolescents, has provided both indoor and outdoor opportunities for young people to come together and access peer group support as well as emotional, practical and clinical advice.

Throughout 2022/23 the impact of the Covid-19 pandemic has continued to place significant challenges on the delivery of care services. Our nursing teams continued to work in PPE, in order to provide confidence to families still feeling anxious and uncertain. Staffing resource has also remained a challenge with the recruitment of skilled paediatric nurses being particularly problematic, resulting in the hospice only able to staff five of the available beds. This meant that a return to the provision of short break stays remained challenging. Often referred to as respite care, this is a vital lifeline for families, enabling them to step away from the 'round the clock' caring responsibilities, secure in the knowledge that trusted help and support is nearby. For some families this allows them time to focus on themselves or other siblings, perhaps to enjoy activities that are too difficult to arrange or participate in with a child who is dependent on help and support.

Care at or closer to home
An increased focus on family and wellbeing services is reflected in the expansion of the scope and diversity of services delivered at home or closer to home. Through talking with families, we have come to understand how shorter and more local interventions, delivered more frequently, can make a big difference.

The majority of children living with life-shortening conditions live their lives in their local communities. By extending our services into homes and communities, families can receive care and support in a more adaptable manner. Local services tend to be more accessible, causing less disruption to the family's daily routine, and assist the whole family to be involved.

Families can select from a range of services that includes in person visits at home or accessing services in community hubs and events across our geography, ranging from Chepstow to Caerphilly to Haverfordwest.

Our 'stay and play' hubs offer meaningful play and engaging activities for children closer to home. Staffed by our experienced play and therapies team they provide a time for enjoyment and diversion within an environment that encourages them to share experiences alongside other children. For parents, it is an opportunity to seek peer support, learn from one another, and exchange experiences. Moreover, it provides a dedicated period to focus on their own wellbeing, allowing access to complementary therapies and family support services.

Care in hospitals
The children we help receive care and support across various settings. We collaborate to ensure our services integrate with hospitals and organisations, to complement the services they offer.

When a child with a life-shortening condition is admitted to hospital, it usually means the child has become more unstable, or a sudden deterioration has occurred. Tŷ Hafan's services work with hospital-based care teams, enhancing the support and providing families a trusted and familiar point of contact at a time when life may feel out of control. In the final days and weeks, our teams will be alongside the family, exploring their wishes for end-of-life care, including arranging a transfer to the hospice if the child, young person or family prefers.

Fostering connections and strengthening self-support
Tŷ Hafan creates a feeling of community that ensures families feel more supported through shared experiences. Many of the families that we support live with the fact that their child's condition is so rare that few other families can understand what this feels

like. One way of achieving this has been through a network of 'closed' Facebook groups – an online community of people learning from each other, accessing information, and providing mutual support when things feel tough. This vital service is available for mums, dads, siblings, and our 'squad' of older young people who no longer access Tŷ Hafan's residential services but want to stay in touch with their friends.

Emotional support around the clock
Caring for a child with a life-shortening condition is exhausting for families who have little time to rest while fulfilling their role as parent carers with skill and expertise. Our skilled family support team, comprising of family support workers and family support practitioners, is available around the clock, every day of the year. They provide support in family homes, over the telephone, via video enabled technology, and through one-to-one sessions at the hospice and in local communities. When coping feels over whelming, they are often the team that identifies the need for additional support.

Support for siblings
The siblings of children with life-shortening conditions face unique challenges themselves. Tŷ Hafan offers specialist support that recognises the impact of this, the impact on their own childhood, a sense of isolation and loss. We help provide them with opportunities to understand and express their thoughts and feelings as well as develop mechanisms to help them cope and thrive. Sibling support is age appropriate and flexes to meet needs over a lifetime of support. Support is offered at the hospice and closer to home on a one to one basis as well as groups. We help these children enjoy their time with their parents and siblings, devote time to their own wellbeing, and cope with bereavement and beyond.

Practical support
Studies show that the families we meet are more likely to face financial difficulties and find it difficult to access additional support. The role of Tŷ Hafan in signposting and advocating for families in this context is crucial. We use our voice whenever and wherever it is needed to enable the challenges experienced by families to be better understood, and to help identify solutions to make these unfairly difficult lives a little easier. We have also established a hardship fund during 2022/23 to provide financial support to families impacted by the cost-of-living crisis.

Transitional care and support
When a young person expected to die in childhood approaches their 18th birthday, there will be cause for celebration, but this is often accompanied by anxiety as they begin the transition from children's services to adult services. Some families describe this time as a 'cliff edge' as they move away from all that is familiar and need to form new relationships with adult services. Tŷ Hafan provides a range of individualised services to make this experience less daunting. A paediatric palliative care consultant and a specialist nurse work across organisational boundaries in collaboration with adult hospices and other specialist teams so that the young person and their family feel safe and supported. Recognising the need for young people to have social opportunities to engage with peers is another important focus for transition support. The team facilitates a number of social events for these young people and for their parents who are also learning to navigate new relationships with their adult children.

Bereavement care
Tŷ Hafan continues to provide support for families after bereavement. At this point our focus turns to supporting families with the unfamiliar experience of bereavement and with the immediate practical decisions they need to make. This support is designed with the individual needs of families in mind, but also includes opportunities for families to

come together to remember their children through dedicated events and remembrance services. Bereavement is experienced uniquely, and we are here for families for as long as they need us. Families are always welcome back to the hospice, where children are remembered in memorial services and our memorial pebble garden.

Key facts

Number of families supported: (including young people 18+):	344
Total family member beneficiaries:	1,400
Number of bereaved families supported:	268
Number of crisis respite nights provided:	1,168
Number of end-of-life care and symptom management stays provided:	199
Number of community interventions:	8,131

Public benefit, vision, purpose and strategic objectives

Having taken Charity Commission guidance into consideration, the board is confident that our Charity meets the public benefit requirements outlined the Charity Act 2011, and that our activities are consistent with our aims and objectives.

We believe that the Charity's vision, mission and strategic objectives enable us to meet the public benefit requirements by delivering a broad range of services free of charge to our beneficiaries.

Vision

A Wales where every child with a life-shortening condition lives a fulfilling life, supported with the compassion and specialist care they and their family need.

Purpose

No family should have to face the unimaginable loss of their child alone. With children and families at the heart of all we do, we provide free care and support in our hospice and in the community, offering a lifeline throughout the child's short life, at end of life, through bereavement and beyond.

Strategic objectives

Tŷ Hafan's strategy has four core goals: develop our services, expand the reach of the Charity, build resilience within the organisation, and invest in our people. Across all of our goals we are committed to demonstrating openness and transparency.

Objectives:

- To support the identification of all children with life-shortening conditions in Wales who may die in childhood and, in cooperation with others, offer them and their families, needs-assessed palliative care and support.
- To ensure best practice in the delivery of a range of unique, high quality and complementary bespoke care services to children and their families.
- To provide sustainable funding to support the provision of care, now and in the future, and ensure the effective and efficient use of resources.
- Aim to position Tŷ Hafan as the primary authority leading collaborative efforts to facilitate the development of paediatric palliative care in Wales, and as the most recognised charity in Wales.
- To attract, retain, engage, and nurture the best people to achieve the Charity's objectives.
- To demonstrate transparency and openness in all activities.

Fundraising

The financial year 2022/23 continued to be challenging for fundraising activities, but our amazing supporters continued to show how much they care about the children and families who need Tŷ Hafan's support, with incredible generosity.

In 2022/23 we received just 11% of our funding from government sources, and raised the remaining funds (£8.7 million) through voluntary fundraising activity. We are extremely grateful to all of our supporters who continued to show such generosity during another challenging year.

The first half of the year remained challenging for fundraising events still being affected by the impact of the Coronavirus pandemic. However, fundraising events saw a revival in the second half of the year, with significant success through our Christmas concert at St David's Hall with Treorchy Male Choir and Callum Scott-Howells.

2022/23 saw the return of one of our flagship fundraising events, Chefs Night Out. This was the first time the event had been held since 2019, as a result of the pandemic, and raised more than £240,000 taking the total raised from the event since its inception to over £1 million. We are extremely grateful to David Loosemore and Huw Edwards, whose dedication to this event has resulted in such a phenomenal amount being raised.

We continued to see incredible fundraising efforts from the families we have supported, and in July 2022 a team of eight dads took on the 10nTaff Challenge, climbing the ten mountains in Wales followed by cycling the 52 mile Taff Trail from Brecon to Cardiff, all within 55 hours and raising over £40,000 in the process.

Legacy donations from people who remember us with a gift in their will remained high in 2022/23, following significant growth in the previous year. This remains a poignant and important source of funds for Tŷ Hafan, covering the cost of around 35% of our care.

Individual supporters continued to help us by making one-off gifts or giving monthly and this remains a crucial and stable part of our fundraising activities. For the first time, we ran a time-limited match funding appeal in November 2023, raising over £344,000 through the 60-hour appeal.

Fundraising from businesses saw significant growth for Tŷ Hafan in 2022/23, with significant donations and fundraising activities from a range of sectors. We continue to focus on building mutually beneficial relationships with businesses – their support is vital in helping us to deliver our mission, but we also aim to play a key role in helping businesses to meet their strategic objectives, too.

Fundraising from community groups, organisations and institutions showed good signs of recovery in 2022/23 and we received support from friends groups, schools, universities and community groups all across south Wales, as well as from individuals organising their own fundraising activities.

Income from trusts and foundations saw significant growth in 2022-23, with greater focus on securing multi-year funding for key projects.

Financial support from our donors was supported by Tŷ Hafan's commercial activities, which play an important role in enabling the Charity to retain diversified income sources. The Crackerjackpot lottery, wholly owned by Tŷ Hafan, generates a reliable and sustainable source of income for us. Tŷ Hafan's shops allow the Charity to reach across

Wales and both raise funds and increase awareness in the local communities that we serve of the services that we deliver.

Fundraising practices
Tŷ Hafan is registered with the Fundraising Regulator and is committed to the Fundraising Promise and adherence to the Fundraising Code of Practice.

In the course of fundraising, we will inevitably come into contact with people who may be in vulnerable circumstances, including the families of the children we support. Our Ethical Fundraising Policy outlines our commitment to engage carefully and sensitively with vulnerable people.

In 2022/23 we did not pay third party professional fundraisers to generate funds, but did receive funds from local and national corporate partners who provided charitable contributions to us from the sale of their goods or services. For all of these partners, commercial participator agreements were in place.

We are continually looking for ways to improve Tŷ Hafan's fundraising practices and ensure we maintain high standards for fundraising at all times. Listening to and learning from complaints about fundraising is a crucial part of this process. In 2022/23 we received one complaint directly related to our fundraising activities, and two related to retail, all of which were resolved. We were not subject to any complaint investigations through the Fundraising Regulator. We provide details of how to contact us, including our complaints policy and procedure on our website.

Our people

The ability to provide our services relies on the extensive skills, expertise, and commitment of our people: employees and volunteers.

Employees
Tŷ Hafan employs over 190 staff with a broad range of skills experience to enable us both deliver care to our service users and fundraise for our income. Roles in the organisation range from nurse to shop manager, from lottery administrator to play therapist, community fundraiser to health care support worker. These clinical, health and social care specialists, fundraisers and retail professionals are supported in their work by a network of IT, HR, facilities, and finance specialists with the one aim of delivering the best possible care and support to children with life-shortening conditions and their families in Wales.

To ensure that we meet this goal we continue to implement plans to attract, retain, engage, and nurture the best people to deliver the Charity's objectives. Alongside statutory care training and personal development training, this year we implemented new training and development programmes, including a management and development programme, to continue to enable employees to fulfil their potential.

In 2022/23, we also introduced our culture change project and engaged all staff in redefining our new values and informing a culture change action plan. We also held our first onsite conference providing an opportunity for colleagues to come together in person after the pandemic.

The post pandemic recruitment market, in addition to the national shortage of paediatric nurses, created workforce challenges across the Charity. However, despite this we welcomed new colleagues and promoted talented colleagues from within.

We continued to develop our wellbeing support for colleagues and implemented a range of initiatives and mechanisms including support for the cost-of-living crisis, and women's health.

Equality, diversity and inclusion
Tŷ Hafan is committed to encouraging equality, diversity and inclusion among its workforce, and eliminating harassment, victimisation and unlawful discrimination. Our aim is to create a supportive and inclusive environment where all colleagues can reach their full potential, where respect and understanding is fostered, and the diversity of people's backgrounds and circumstances is positively recognised and valued.

Volunteers

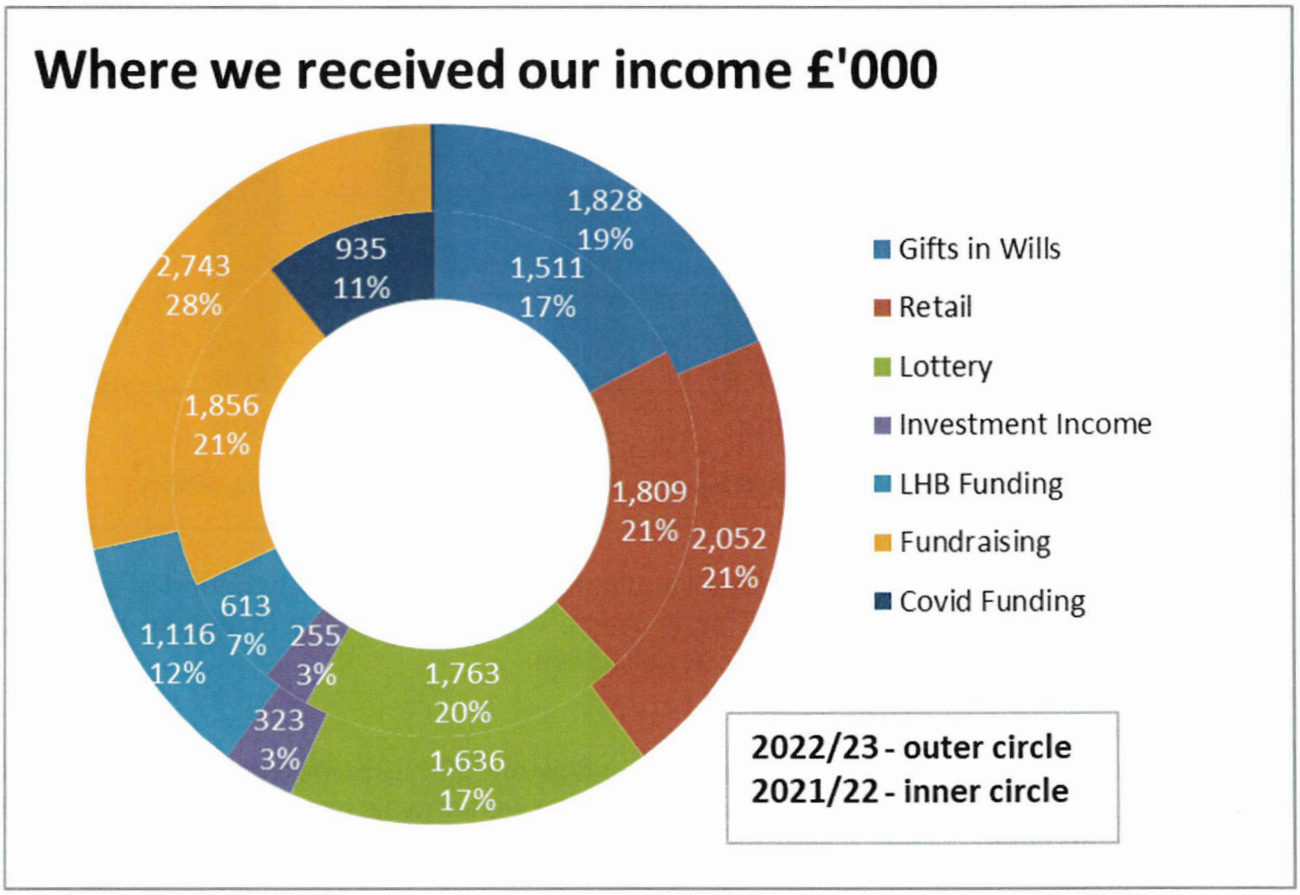
The dedication and hard work of our volunteers is essential in ensuring that Tŷ Hafan can deliver care and support our beneficiaries. Volunteer roles at the Charity are many and varied, each as meaningful and important as the next. They include providing play and therapies for the children, tending the extensive gardens at the hospice, assisting in our shops, providing specialist and administrative support, promoting awareness, and helping with fundraising activities.

The wide variety of ways in which Tŷ Hafan has been supported by volunteers cannot be captured fully in this report. However, their work is invaluable in supporting children with life-shortening conditions and their families.

Financial review and results for the year

Results for the year ended 31 March 2023 are shown in the Consolidated Statement of Financial Activities on page 30. This shows the financial results for Tŷ Hafan and its trading subsidiaries, Tŷ Hafan Trading Limited and Crackerjackpot Limited, which both donate their profits to the Charity.

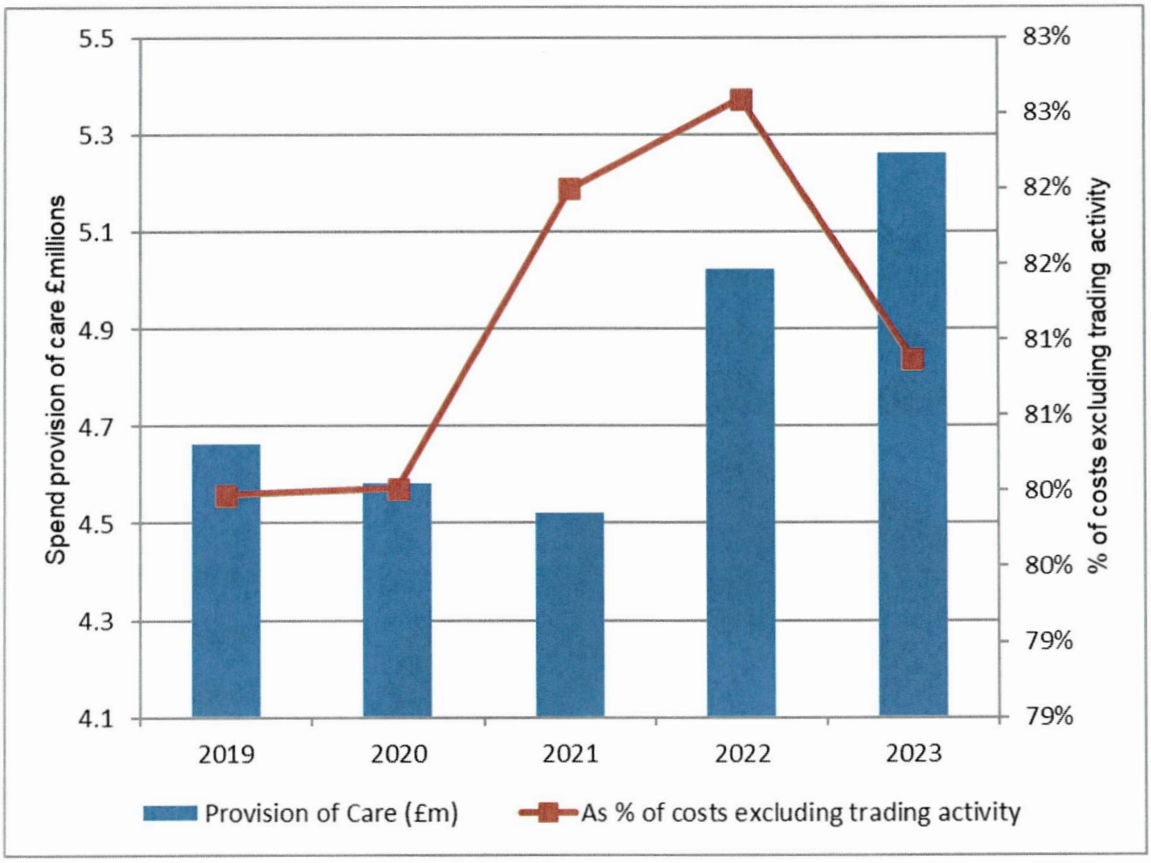
Income
Total income received in 2022/23 was £9,722,442 (2021/22 £8,741,164). This represents an 11% increase from the previous year.



We saw growth in most areas of income generation which helped to compensate for the end of our Covid funding from the government (£935k received in 2021/22). In particular, our fundraising income increased by almost 50% thanks to the tremendous support we received from our donors in the local community and corporate sector.

Expenditure
Total expenditure in 2022/23 increased by £522,693 (+6%) to £9,446,725 (2021/22 £8,924,032). The highest increase in spend was in the provision of care of £238,453 (+5%) due to an uplift in services provided at the hospice and in the community and the impact of cost-of-living increase on our staff costs.

Five year expenditure on charitable activities



Excluding our trading activity in retail and lottery, 81 pence of every pound of expenditure is spent on charitable activity. This is in line with our objective to ensure more of our donations are used directly on our beneficiaries.

Cashflow

Overall, in 2022/23 there was a net cash inflow of £524,395, increasing the cash held to £1,309,343 as at 31 March 2023. There were no withdrawals from the investment portfolio during the year.

Reserves

The board considers the maintenance of unrestricted reserves as an essential safeguard to mitigate the risks faced by the Charity and their potential impact on income and planned expenditure. The Charity has a responsibility to give confidence to its beneficiaries that we can provide our services even during times of economic uncertainty.

The board has established the level of reserves using the methodology outlined in the Charity Commission guidance and has considered the level of required reserves based on the assets used in the Charity and the risks to the Charity and likelihood of an event occurring.

The reserves policy is reviewed and agreed each year by the board.

The Charity's reserves are detailed in note 22 and 23 of the accounts.

At 31 March 2023, the Charity held £9,750,718 in unrestricted free reserves (2022: £10,789,789). The reserves were broken down as follow:

	31/03/2023	**31/03/2022**
Net Assets	£18,796,758	£19,147,961
Less Designated Reserves	(£8,232,755)	(£7,480,427)
Less Restricted Reserves	(£813,285)	(£877,745)
Unrestricted Free Reserves	**£9,750,718**	**£10,789,789**

Unrestricted free reserves have decreased by £1,039,071 (-10%) during the year. Designated reserves have been increased by £752,328 (+10%) and include an increased provision for future planned deficits and an allowance for major capital projects if no funding is available. Designated reserves also include the net book value of property owned by Tŷ Hafan.

Going concern
The Charity's financial position and performance has been outlined in the financial review above. The board has assessed projected future income, expenditure and cash flows, and analysed the strength of the Charity's reserves, liquid assets and its ability to withstand a material fall in income. Consideration has been given to the stability and diversity of various income streams in making this assessment and the challenges currently faced by the Charity due to the pandemic.

The board has concluded that there is a reasonable expectation that Tŷ Hafan and its trading subsidiaries, Tŷ Hafan Trading Limited and Crackerjackpot Limited, have adequate resources to continue activities for the foreseeable future. Therefore, they have continued to adopt the going concern basis in preparing the financial statements.

Approach to financial investments
Decisions about the investment strategy and policy are governed by the finance with governance committee and approved by the board. The investment policy is reviewed annually by the board.

Tŷ Hafan's investment portfolio is managed by investment managers according to the board's instructions. The investment strategy is formally reviewed with our investment managers and finance with governance committee annually and more frequently when considered necessary.

Tŷ Hafan's investment risk appetite for its investment portfolio is consistent with a strategy of seeking to preserve and generate longer term capital growth and income ahead of the rate of inflation in order to grow the free reserves of the Charity. Tŷ Hafan does not depend on investment returns to fund its short-term operational requirements and is, therefore, able to tolerate short to medium term volatility of its investment portfolio.

The total value of the investment portfolio as at 31 March 2023 was £12,476,891 (2022: £12,837,993) representing an overall decrease in value for the year of £361,102 (-3%, 2022: +2%).

During the year, there was no cash withdrawal from the portfolio (2022: £500,000).

The board recognises it has a responsibility to consider any ethical implications of its investments. This could lead to conflicting objectives between delivering the targeted returns and excluding certain investments that go against Tŷ Hafan's ethos and purpose.

It is, therefore, Tŷ Hafan's policy to use a negative screening approach avoiding investment in companies or sectors undertaking a particular activity or operating in a way which may be harmful to Tŷ Hafan's interests. This is reviewed annually alongside the investment policy review.

Structure, governance and management
Tŷ Hafan is a registered charitable company limited by guarantee, which operates an independent hospital and runs a lottery. It is subject to company law, charity law, trust law and bound by legislation governing the safe delivery of healthcare. As a result of its activities, Tŷ Hafan is accountable to a range of regulators:

- the Charity Commission
- Healthcare Inspectorate Wales (HIW)
- the Fundraising Regulator
- the Gambling Commission
- Healthcare Inspectorate Wales (HIW)

We're also registered with government departments e.g., HMRC, Companies House, local authority services and other bodies, e.g., ICO, usually governed by self-assessment of compliance with regulations and/or filing annual returns.

The board of directors is legally responsible for financial probity, legal and regulatory compliance, and the Charity's registration as a private voluntary hospital under the Independent Healthcare (Wales) Regulations 2011.

The board, as the accountable body, governs Tŷ Hafan through its constitution. Tŷ Hafan's Articles of Association, Scheme of Governance (including Standing Orders, Matters Reserved for Board, and Scheme of Delegation) and Statement of Purpose form the Charity's governance framework for implementing the Charity's strategic objectives, monitoring progress, and managing the Charity's activities effectively, honestly, prudently, safely, transparently, and without personal gain.

Trustee recruitment and development
A code of conduct ensures trustees continue to act within their designated authority to deliver the Charity's objectives for the long-term benefit of the Charity's beneficiaries. They are obligated to fulfil their duties, both individually and collectively, in alignment with the Charity's constitution and charity law.

In line with best practice and the Charity Governance Code, the board continuously seeks to augment the diversity of its skillset through a continuous succession plan. Trustees are subject to a rigorous interview process, probationary period, due diligence checks and induction to ensure they become effective members of the board, working in the best interest of the Charity. Trustees play an engaged role, volunteering their time and support freely. They contribute the benefit of their professional expertise, and collaborate to protect and develop the Charity in a heavily regulated environment.

Trustees are eligible to serve a maximum tenure of eight years and can be proposed for re-election upon completion of their initial four-year term. The board and senior executives of Tŷ Hafan are outlined in the 'reference and administrative details' section of the accounts.

Delegation
Specific authority is delegated to the chairman, committees, and the chief executive, however, the board retains ultimate accountability for the Charity's operations, financial integrity, adherence to legal and regulatory standards, and its independent hospital registration.

Setting the Charity's long-term objectives, the board entrusts the chief executive, responsible for operational functions, with translating these goals into a strategic framework and a business plan to be executed by the executive team.

The board oversees the Charity's management and convenes regularly to receive reports from its committees, executive directors, and the board's officers.

Committees
The board benefits from the support of four standing committees, and various ad hoc committees, with specific remits to scrutinise the management of the Charity's operations. Each committee comprises a chair and members selected by the nominations committee, and executive directors act as advisors to the board. The standing committees are:
• Clinical governance committee, upholding excellence in clinical care by monitoring the quality of safeguarding and care service delivery.
• Finance with governance committee examines financial, fiduciary and investment matters, as well as the Charity's governance arrangements.
• Directorate and operations committee, which considers operational management and fundraising activity.
• Remuneration committee reviews issues relating to staff financial compensation, and terms, conditions and benefits.

The nominations committee convenes as necessary to ensure the establishment of an efficient board responsible for governing the Charity with financial integrity and transparency. This committee scrutinises the composition and performance of the board, oversees rigorous recruitment and succession strategies, and verifies the board's adherence to the Charity's governing documents and policy framework.

Pay structure
Ensuring fairness and equity in pay, the board maintains a transparent process for setting salaries within the Charity, considering affordability, economic indicators, and competitiveness. This involves an annual review that benchmarks each paid role within the Charity against similar positions in comparable organisations. Recommendations for annual pay awards are evaluated by the remuneration committee and, if endorsed, require approval from the board. Remuneration for the executive team, including the chief executive, is reviewed separately and approved by the board.

Subsidiary companies
As disclosed in note 16 to the financial statements, Tŷ Hafan owns two subsidiaries, Tŷ Hafan Trading Limited and Crackerjackpot Limited, which are independently governed and gift surplus funds to the Charity.

Managing risk and uncertainties

Tŷ Hafan undertakes a wide range of activities, which includes the provision of specialist paediatric palliative care within a hospice environment, operating a chain of retail shops, organising fundraising and marketing activity, and delivering mass participation events activities, as well as delivering regulated gambling through the Charity's subsidiary, Crackerjackpot.

The extensive scope of these activities necessitates a comprehensive and methodical approach to risk and uncertainty to protect the Charity's people and resources while effectively achieving its charitable objectives.

Tŷ Hafan's risk management framework, as part of our risk management policy, is central to Tŷ Hafan's Scheme of Governance and is based upon the principles of BSI ISO 31000 and COSO Enterprise Risk Management framework. The aim is to integrate the risk management policy in the Charity's business planning processes enabling trustees to comply with the regulatory requirement to publicly account for the effectiveness of the Charity's risk management processes.

Process of risk management
The executive team and risk management group routinely scrutinise the corporate risk register to verify the presence of adequate control measures for identified risk. Each risk is accompanied by recommended actions, designated to an owner with the aim of reducing the likelihood of its occurrence or mitigating its potential consequences. These recommendations undergo scrutiny by relevant committees and are subsequently presented to the board for approval at least on a six-monthly basis.

Risk mitigation measures are central to the Charity's business plan while addressing external factors such as economic, environmental and geopolitical crises. This involves continuous assessment and adoption of additional management controls while reinforcing the Charity's governance structure. Below are the primary strategic risks to delivering the business plan, each capable of adversely affecting the Charity's reputation – experienced across wider charitable sectors:

- challenging economic conditions impacting financial resilience and sustainability
- inability to achieve contribution targets due to the cost-of-living crisis and poor fundraising performance/resource capacity
- staff shortages impacting the Charity's ability to continue providing charitable services.

The board is satisfied that risk management is regularly assessed to ensure that actions and controls are effective and ensure that the Charity remains compliant and works to best practice in caring for children and their families.

Tŷ Hafan is not aware of any principal uncertainties as at 31 March 2023, nor in the period before signing the annual report and accounts.

Reference and administrative details

Registered Company Number	3077406
Registered Charity Number	1047912
Registered Office	Tŷ Hafan, Hayes Road, Sully, CF64 5XX
Auditors	Bevan Buckland LLP, Swansea
Principal Solicitors	Hutchinson Thomas, Swansea
Principal Bankers	HSBC Plc, Cardiff, Barclays Bank, Cardiff
Investment Managers	Brewin Dolphin Investment Managers

The Board

The following were appointed during the period or are currently registered as non-executive directors and trustees:

Martin Davies	Chairman of the board
Dr Keith Holgate	Deputy chair of the board
Susan Cooper	Appointed 3 February 2023
John Hoskinson	Appointed 30 June 2022
Dr Helen Matthews	
Mick McGuire	
James Pepper	
Matt Sinnott	Appointed 2 August 2023
Sian Thomas	
Suzanne Carter	Resigned 20 January 2023
Elizabeth Thomas	Resigned 6 March 2023
Cathrine Grubb	Resigned 12 June 2023
Dr Huw Jenkins	Resigned 31 August 2023

Executive directors

The following were in post during the period:

Maria Timon Samra	Chief executive
Jason Foster	Director of finance
Tracy Jones	Director of family wellbeing and partnerships
Jenna Lewis	Director of income generation
Sian Middleton	Director of nursing and clinical services
John Mladenovic	Director of marketing & communications and lottery
Zoe Tippins	Director of people services

Trustees' responsibilities in relation to the financial statements

The trustees (who are also the directors of Tŷ Hafan for the purposes of company law) are responsible for preparing the trustees' annual report and financial statements in accordance applicable law and United Kingdom accounting standards (United Kingdom Accepted Accounting Practice).

Company law requires the charity trustees to prepare financial statements for each 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 the financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities SORPS
- 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 company will continue to operate.

The trustees are responsible for keeping adequate accounting records that disclose, with reasonable accuracy at any time, the financial position of the charitable company and 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information (as defined by Section 418 of the Companies Act 2006), of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make them aware of any relevant audit information and to establish that the auditor is aware of that information.

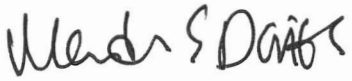
The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Auditors

The auditors, Bevan Buckland LLP, will be proposed for reappointment at the forthcoming general meeting.

Approval

This report was approved by the trustees as members of the charitable company on 29 November 2023 and was signed on their behalf by:



Martin Davies
Trustee and Chairman of the Board
Date 18 December 2023

Independent auditor's report to the members and trustees of Tŷ Hafan

Opinion

We have audited the financial statements of Tŷ Hafan (the 'parent charitable company') and its subsidiaries ('the group') for the year ended 31 March 2023 which comprises the consolidated statement of financial activities, the Consolidated and Parent Charitable Company balance sheets, the Group statement of cash flows 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, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 March 2023 and of the group's profit for the year then ended
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the 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's and the parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorized for issue.

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

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 Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements and
- 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 group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

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

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

Responsibilities of trustees

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

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

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 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.

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:

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

We identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, and then, design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

We discussed our audit independence complying with the Revised Ethical Standard 2019 with the engagement team members whilst planning the audit and continually monitored our independence throughout the process.

Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

Enquiring of management, including obtaining and reviewing supporting documentation, concerning the Group's and parent charitable company's policies and procedures relating to:

- identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance
- detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud
- Internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations

Discussing among the engagement team how and where fraud might occur in the Financial Statements and any potential indicators of fraud. As part of this discussion, we identified potential for fraud in the following areas.

Obtaining an understanding of the legal and regulatory frameworks that the Group and parent charitable company operates in, focusing on those laws and regulations that had a direct effect on the Financial Statements or that had a fundamental effect on the operations of the Group and parent charitable company, the key laws and regulations we considered in this context included the UK Companies Act and relevant tax legislation.

Audit response to risks identified
In addition to the above, our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations
- enquiring of management concerning actual and potential litigation and claims; performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud
- reading minutes of meetings of those charged with governance and reviewing correspondence with HMRC
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments
- assessing whether the judgements made in making accounting estimates are indicative of a potential bias
- evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the 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 company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Alison Vickers (Senior Statutory Auditor)
For and on behalf of Bevan Buckland LLP, Statutory Auditor
Ground Floor
Cardigan House
Castle Court
Swansea Enterprise Park
Swansea
SA7 9LA
Date: 18 December 2023

Tŷ Hafan
Consolidated Statement of Financial Activities
(Incorporating the Consolidated Income and Expenditure Account)
for the year ended 31 March 2023

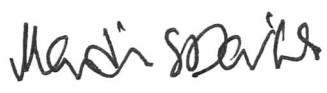
	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2023 £	Total Funds 2022 £
Income from:					
Donations and Legacies	2	**4,382,330**	**211,799**	**4,594,129**	4,302,032
Charitable Activities					
- Provision of Care	3	**1,116,442**	**-**	**1,116,442**	613,139
Other Trading Activities	4	**3,688,869**	**-**	**3,688,869**	3,571,190
Investments and other income	5	**323,002**	**-**	**323,002**	254,803
Total income		**9,510,643**	**211,799**	**9,722,442**	8,741,164
Expenditure on:					
- Trading Activities	6	**2,940,120**	**-**	**2,940,120**	2,842,034
Total income net of trading expenditure		**6,570,523**	**211,799**	**6,782,322**	5,899,130
Expenditure on:					
- Raising Funds	6	**1,192,743**	**-**	**1,192,743**	999,217
- Investment Management	6	**52,176**	**-**	**52,176**	59,548
Net income available for Charitable Activities		**5,325,604**	**211,799**	**5,537,403**	4,840,365
Charitable Activities					
- Provision of Care	7	**4,993,544**	**268,142**	**5,261,686**	5,023,233
Total Expenditure		**9,178,583**	**268,142**	**9,446,725**	8,924,032
Net income before gains/(losses) on investments		**332,060**	**(56,343)**	**275,717**	(182,868)
Net (losses)/gains on investments		**(626,920)**	**-**	**(626,920)**	612,293
Net Income / (Expenditure)		**(294,860)**	**(56,343)**	**(351,203)**	429,425
Gross transfers between funds	22	**8,117**	**(8,117)**	**-**	-
Net movement in funds		(286,743)	(64,460)	(351,203)	429,425
Reconciliation of Funds					
Funds balances brought forward	22	**18,270,216**	**877,745**	**19,147,961**	18,718,536
Fund balances carried forward	22	**17,983,473**	**813,285**	**18,796,758**	19,147,961

The consolidated statement of financial activities includes all gains and losses recognised in the year.
All incoming resources and resources expended derive from continuing activities.

Tŷ Hafan
Group and Charity Balance Sheet
At 31 March 2023

		2023		2022	
		£	£	£	£
	Note	**Group**	**Charity**	Group	Charity
Fixed assets					
Tangible Assets	15	**5,828,607**	**5,828,607**	6,050,979	6,050,979
Investments	16	**12,476,891**	**12,486,892**	12,837,993	12,847,994
		18,305,498	**18,315,499**	18,888,972	18,898,973
Current assets					
Stock	17	**5,127**	**-**	3,460	-
Debtors	18	**1,007,400**	**1,153,283**	840,541	1,167,132
Cash at bank		**1,309,343**	**965,260**	784,948	266,984
		2,321,870	**2,118,543**	1,628,949	1,434,116
Current liabilities					
Creditors: Amounts falling due within one year	19	**(1,319,571)**	**(1,138,517)**	(867,654)	(694,760)
Net current assets		**1,002,299**	**980,026**	761,295	739,356
Provisions for liabilities and charges	20	**(511,039)**	**(511,039)**	(502,306)	(502,306)
Net Assets		**18,796,758**	**18,784,486**	19,147,961	19,136,023
Funds					
Restricted	22	**813,285**	**813,285**	877,745	877,745
Unrestricted	22	**17,983,473**	**17,971,201**	18,270,216	18,258,278
		18,796,758	**18,784,486**	19,147,961	19,136,023

The financial statements were approved by the Board of Directors on 29 November 2023 and were signed on its behalf by:



Martin Davies
Trustee and Chairman of the Board

Registered Company Number: 3077406

Tŷ Hafan
Group Statement of Cash Flows
for the year ended 31 March 2023

	Note	2023 £	2022 £
Net cash provided by (used in) operating activities	24	**735,191**	680,792
Cash flows from investing activities:			
Deposit Interest received	5	**7**	25
Payments to acquire tangible fixed assets	15	**(210,803)**	(645,410)
Transfer of cash held from investments		**-**	500,000
Net cash provided by (used in) investing activities		**(210,796)**	(145,385)
Change in cash and cash equivalents in the reporting period		**524,395**	**535,407**
Cash and cash equivalents at the beginning of the year		**784,948**	249,541
Cash and cash equivalents at the end of the year		**1,309,343**	**784,948**

Analysis of cash and cash equivalents	**31 March 2023**	**31 March 2022**
	£	**£**
Cash at bank and in hand	**1,309,343**	784,948
Total cash and cash equivalents	**1,309,343**	784,948

Analysis of changes in net debt	**31 March 2022**	**Cash flow**	**31 March 2023**
	£	**£**	**£**
Cash	784,948	524,395	**1,309,343**
Total	784,948	524,395	**1,309,343**

1. ACCOUNTING POLICIES

Basis of preparation

The financial statements of the Charitable Company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention or transaction value unless otherwise stated in the relevant accounting policy note(s).

The Charitable Company's functional and presentational currency is the pound sterling (£), and balances are rounded to the nearest £1.

Preparation of the accounts on a going concern basis

At the time of approving the accounts, the Trustees have a reasonable expectation that the Charity, and the Group, have adequate resources to continue in operational existence for the foreseeable future. The Trustees have reviewed the reserves policy which supports the long-term business plan of the Charity. Thus, the trustees continue to adopt the going concern basis of accounting in preparing the accounts.

Basis of consolidation

The group financial statements consolidate those of Tŷ Hafan and its subsidiary undertakings, Tŷ Hafan Trading Limited and Crackerjackpot Limited (see note 16), made up to 31 March 2023, on a line by line basis.

The consolidated entity is known as the 'Group'. Accounting policies specific to the Charitable Company or group in total are laid out below.

No separate company Statement of Financial Activities (SOFA) has been prepared for the Charitable Company as permitted by Section 408 of the Companies Act 2006.

Incoming resources

Income is recognised when the Charitable Company has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measure reliably. It is derived from the activities outlined below.

Donations and similar incoming resources are recognised when they are received. Where refundable income is received in respect of a specified event or project, the income is deferred until completion of that event or project.

1. ACCOUNTING POLICIES (continued)

Pecuniary and residuary legacies are recognised on a case by case basis following the granting of probate and when the administrator/executor for the estate has communicated in writing the amount and of the legacy. In the event that the legacy is in the form of an asset other than cash or a financial asset traded on a recognised stock exchange, recognition is subject to the value for the legacy being reliably measurable
with a degree of reasonable accuracy and the title to the asset being transferred to the Charitable Company. Reversionary legacies are not recognised during the lifetime of the original beneficiary under the will. An estimate of the total number and value of all open legacy cases which do not meet the above conditions, but to which the Charitable Company may be entitled is disclosed within the notes to the accounts.

Donated goods capitalised as tangible fixed assets are included as 'Income from Donations and Legacies' at their market value at the time of receipt.

Gift Aid receivable is included in income when there is a valid declaration from the donor.

Grants (including government grants) which are received to fund specific purposes are recognised as restricted incoming resources in the year in which the Charitable Company is entitled to the funds. Revenue grants are credited as incoming resources when they are receivable, provided conditions for receipt have been complied with.

There are no unfulfilled conditions attached to the above grants received.

Fees receivable from Welsh Local Health Boards in respect of respite care are recognised on receipt.

The value of the goods donated for sale in the shops operated by the Charitable Company is recognised at the point of sale unless it is practicable for the goods to be measured at fair value on receipt. For these items the value is recognised as stock on the balance sheet and the released to the income statement when the item is sold.

The income for the weekly membership lottery is recognised when it is received except for money received in advance of the draw to which it relates, which is treated as deferred income.

Investment income comprises bank deposit interest and dividends and interest arising from discretionary investment activities. Investment income arising from discretionary investment activities is re-invested by the Investment Managers.

1. ACCOUNTING POLICIES (continued)

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 headings:

- Costs of raising funds; includes the direct costs of operating the Charitable Company's shops, membership lottery and appeals office together with an apportionment of head office costs to reflect the support provided to the fundraising operations. The direct costs of operating the Charitable Company's shops do not include any valuation of donated goods sold.

- Costs of charitable activities; includes the direct costs of operating care services together with an apportionment of head office costs to reflect the support provided to these activities.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

Allocation of support and governance costs
Support costs are those functions that assist the work of the Charitable Company but do not directly undertake charitable activities. Support costs have been allocated between governance costs and other support costs. Governance costs comprise all costs involving the public accountability of the Charitable Company and its compliance with regulation and good practice. These costs include costs related to statutory audit and legal fees together with an apportionment of overhead and support costs.

The bases on which support costs have been allocated are set out in note 8.

Taxation
The charitable members of the group are exempt from income and corporation taxes on income and gains to the extent that they are applied for their charitable objects. The trading subsidiaries do not generally pay UK Corporation Tax because their policy is to pay taxable profits to the Charitable Company as gift aid.

Tangible fixed assets
All tangible fixed assets are included at cost less accumulated depreciation. Items of a capital nature costing less than £1,000 are not capitalised. There are no heritage assets.

At present there are no circumstances existing to suggest that an impairment review of the carrying value of fixed assets is required. This position is reviewed on an annual basis. Any impairment is recognised in the year in which it occurs.

1. ACCOUNTING POLICIES (continued)

Depreciation
Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Hospice development and equipment	5%, 10% and 20% on cost
Freehold Land & Building	2% on cost
Shops and office equipment	20% on cost
Computer equipment	33% on cost
Fixtures and fittings	20% on cost
Motor Vehicles	25% reducing balance

Assets under construction are carried at cost and are not depreciated until they come into use.

Investments
Assets held for investment purposes are valued at fair value (their market value) at the balance sheet date, except for investments in trading subsidiaries, which are held at cost, as the trustees believe that the market value of the trading subsidiary is not materially different to its cost.

Realised gains and losses on investments are calculated as the difference between sales proceeds of these investments and their market value at the start of the year, or their subsequent costs, and are charged or credited to the statement of the financial activities in the period of disposal.

Unrealised gains and losses represent the movement in market values during the year and are credited or charged to the statement of financial activities based on the market value at the year-end.

Investments in Subsidiaries
Investment in subsidiary entities are held at cost less impairment.

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

Stocks
Stocks represent purchased stock items only and are stated at the lower of cost and estimated net realisable value. Where necessary, provision is made for obsolete, slow moving and defective stocks. Stock does not include goods donated for sale in the Group's charity shops unless it is practicable for the goods to be measured at fair value on receipt.

1. ACCOUNTING POLICIES (continued)

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

Creditors and provisions
Creditors and provisions are recognised where the Charitable Company 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.

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

Fund accounting policy
Unrestricted funds are those which are available for use at the discretion of the Board of Directors in furtherance of the general objectives of the Charitable Company and which have not been designated for other purposes.

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

Designated funds are unrestricted funds of the Charitable Company, which the trustees have decided at their discretion to set aside to use for a specific purpose.

Operating lease agreements
Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the statement of financial activities on a straight-line basis over the period of the lease.

Pension costs
Contributions in respect of defined contribution pension schemes are charged to the statement of financial activities in the period in which they are payable.

The Charitable Company also participates in the NHS Pension Scheme, a defined benefit pension scheme, but it is unable to identify its share of the underlying assets and liabilities. The pension costs charged against net incoming resources are the contributions payable to the scheme in respect of the accounting period.

1. ACCOUNTING POLICIES (continued)

Critical accounting estimates and assumptions

The Charitable Company makes estimates and assumptions concerning the future. The resulting accounting estimates will by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next year are addressed below:

(I) Useful economic lives of tangible assets
The annual depreciation charge for tangible assets is sensitive to changes in the estimate useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimate, based on technological advancement, future investments, economic utilisation and the physical condition of the assets, see note 15 for the carrying amount of each class of asset held, and above for the useful economic lives for each class of assets.

(II) Impairment of debtors
The Charitable Company makes estimates of the recoverable value of debtors. When assessing the impairment of debtors, management consider factors including the current credit rating of the debtor, the ageing profile of debtors and historic experience. See note 18 for the net carrying amount of debtors and associated impairment provision.

(III) Provisions
Provision is made for the dilapidation on leasehold premises. These provisions require management's best estimate of the costs that will be incurred based on legislative and contractual requirements. (See note 20).

(IV) Income recognition of legacies
Residuary legacies have been recognised using a case by case basis when the amount receivable can be measured accurately following written confirmation from the estate executor/administrator. Management have accrued for a percentage of the legacy pipeline which is consistent with experience over the last four years.

2. INCOME FROM DONATIONS AND LEGACIES

	Unrestricted Funds	Restricted Funds	Total Funds 2023	Total Funds 2022
	£	£	£	£
Donations, appeals and similar income	**2,531,139**	**211,799**	**2,742,938**	1,856,346
Legacies	**1,827,540**	-	**1,827,540**	1,510,896
Covid Funding	**23,651**	-	**23,651**	934,790
	4,382,330	**211,799**	**4,594,129**	4,302,032

During the year the following COVID-19 government support was received :

	2023	2022
	£	£
Job Retention Scheme	-	16,194
Hospice Emergency Funding	-	918,596
Covid Insurance Claim	**23,651**	-
	23,651	934,790

There are no unfulfilled conditions attached to the above grants received.

In accordance with the Charities SORP (FRS102) the Charitable Company accounts for legacies as receivable when conditions for entitlement have been met; and receipt of the income can be measured accurately. An external notification service is used to notify the Charitable Company of bequests and a system of monitoring ensures that the legacy is tracked until receipt.

At the year-end the Charitable Company had 74 (2022: 47) open legacy cases which had not met all of the above conditions. Should indicative amounts be received in respect of these legacies the Charity could benefit from a further £1,632,799 (2022 £969,599) in the future. In applying the requirements of the Charities SORP (FRS 102) in measuring income when it can be accurately measured, an accrual of £142,973 (2022: £82,619) has been included in the accounts for legacy bequests.

3. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted Funds	Restricted Funds	Total Funds 2023	Total Funds 2022
	£	£	£	£
Local Health Authorities	**1,068,890**	-	**1,068,890**	565,984
Training	-	-	-	-
Public Funding	**47,552**	-	**47,552**	47,155
	1,116,442	-	**1,116,442**	613,139

4. INCOME FROM OTHER TRADING ACTIVITIES

	Unrestricted Funds	Restricted Funds	Total Funds 2023	Total Funds 2022
	£	£	£	£
Retail activities	**2,052,407**	-	**2,052,407**	1,808,629
Membership lottery	**1,636,462**	-	**1,636,462**	1,762,561
	3,688,869	-	**3,688,869**	3,571,190

5. INVESTMENT AND OTHER INCOME

	Unrestricted Funds	Restricted Funds	Total Funds 2023	Total Funds 2022
	£	£	£	£
Listed investment Income	**322,995**	-	**322,995**	254,778
Interest Received	**7**	-	**7**	25
	323,002	-	**323,002**	254,803

6. EXPENDITURE ON RAISING FUNDS

	Unrestricted	Restricted	Total 2023	Total 2022
	£	£	£	£
Donations, appeals, legacies and similar income	**1,192,743**	-	**1,192,743**	999,217
Membership Lottery	**890,255**	-	**890,255**	992,153
Investment Management Costs	**52,176**	-	**52,176**	59,548
Retail Expenditure	**2,049,865**	-	**2,049,865**	1,849,881
	4,185,039	-	**4,185,039**	3,900,799

7. EXPENDITURE ON CHARITABLE ACTIVITES

	Unrestricted	Restricted	Total 2023	Total 2022
	£	£	£	£
Provision of Care:				
Direct Costs	**3,828,700**	**268,142**	**4,096,842**	3,908,568
Support Costs (see note 8)	**1,164,844**	-	**1,164,844**	1,114,665
	4,993,544	**268,142**	**5,261,686**	5,023,233

8. SUPPORT COSTS

Cost Categories	Charitable Activities	Donations & Legacies	Membership Lottery	Retail	Total 2023	Basis
	£	£	£	£	£	
Management	**170,110**	**42,869**	**31,036**	**59,606**	**303,621**	Average Head Count
Finance	**294,674**	**77,648**	**48,964**	**110,865**	**532,151**	Average Head Count
Governance (note 9)	**118,411**	-	-	-	**118,411**	Time Spent
IT	**119,425**	**33,484**	**16,991**	**49,459**	**219,359**	Average Head Count
Human Resources	**247,488**	**65,483**	**40,743**	**93,716**	**447,430**	Average Head Count
PR & Marketing	**214,736**	**55,501**	**37,215**	**78,357**	**385,809**	Time Spent
	1,164,844	**274,985**	**174,949**	**392,003**	**2,006,781**	

All costs are attributed by activity on the basis of head count or time spent on each activity. As the Charitable Company has only one charitable activity all support costs are allocated to this activity.

9. GOVERNANCE COSTS

Analysed as:	Unrestricted	Restricted	Total 2023	Total 2022
	£	£	£	£
Salary costs	**108,116**	-	**108,116**	100,854
Audit fees	**10,239**	-	**10,239**	10,673
Accounting services	-	-	-	8,402
Legal and professional	**56**	-	**56**	63
Trustee's expenses	-	-	-	80
	118,411	-	**118,411**	120,072

10. NET INCOME

The net surplus / (deficit) is stated after charging:

	2023	2022
	£	£
Operating leases	342,237	359,533
Fees payable to the Charitable Company's auditor for the audit of the group	10,239	10,673
Depreciation of owned assets	478,394	736,718

11. TRUSTEES' REMUNERATION AND BENEFITS

	2023	2022
	£	£
Trustees Expenses	-	80

During the year, 0 (2022:1) Trustees were reimbursed for miscellaneous expenses.

12. EMPLOYEES' REMUNERATION

a) Staff costs
Staff costs during the year were:

	2023	2022
	£	£
Wages and salaries	**5,361,259**	5,079,928
Social security costs	**492,409**	427,659
Pension costs	**337,296**	329,649
Redundancy and Termination Costs	**21,131**	17,311
	6,212,095	5,854,547

The key management personnel of the Charitable Company are the Chief Executive Officer, the Director of Nursing and Clinical Servies, the Director of Family Wellbeing and Outreach Services, the Director of Finance, the Director of Income Generation, the Director of People Services and the Director of Marketing Communications and Lottery. The employee benefits of key management personnel for the year totalled £477,490 (2022: £444,100). During the year there have been no ex-gratia payments to staff.

b) Staff numbers – average head count

	2023	2022
	No.	No.
Care Staff	**91**	92
Donations & Legacies	**23**	26
Retail Staff	**48**	51
Lottery staff	**9**	14
Central services	**23**	22
	194	205

c) Higher paid staff

The number of employees whose gross emoluments fall within each band of £10,000 from £60,000 upwards are as follows:

	2023	2022
	No.	No.
£60,001 to £70,000	**1**	1
£70,001 to £80,000	**1**	1
£80,001 to £90,000	**-**	-
£90,001 to £100,000	**-**	1
£100,001 to £110,001	**1**	-

The Charitable Company also made pension contributions on behalf of the above employees totalling £38,190 (2022: £35,548) which have not been included within the banding categories above.

13. TAXATION

As a registered charity, Tŷ Hafan is entitled to the exemptions from taxation in respect of income and capital gains received within Sections 478 - 489 of the Corporation Tax Act 2010 and section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that these are applied to its charitable objects purposes only.

The trading subsidiary, Tŷ Hafan Trading Limited, has utilised previous taxation losses against taxable profit for the year and hence there are no amounts chargeable to corporation tax.

The trading subsidiary, Crackerjackpot Limited, has gifted taxable profits arising during the year to its charitable parent Tŷ Hafan Limited and hence there are no amounts chargeable to corporation tax.

As a consequence of the above, no tax charges have arisen in the group.

14. CHARITABLE COMPANY RESULTS

The Charitable Company has taken advantage of Section 408 of the Companies Act 2006 and has not included its own income and expenditure account in these financial statements. The results of Tŷ Hafan (the Charitable Company) are summarised below:

	2023	2022
	£	£
Total incoming resources	**8,957,290**	7,892,103
Total resources expended	**(8,681,907)**	(8,074,731)
Net incoming resources	**275,383**	(182,628)
Net unrealised investment gain/(loss)	**(626,920)**	612,293
Net movement in funds	**(351,537)**	429,665
Funds:		
As 1 April 2022	**19,136,023**	18,706,358
At 31 March 2023	**18,784,486**	19,136,023

The above results include £808,809 (2022: £852,567) in gift aid donations received by the Charitable Company from its trading subsidiary Crackerjackpot Limited.

15. TANGIBLE FIXED ASSETS

Group and Charity

	Freehold Land and Buildings	Fixtures and Fittings	Equipment	Motor vehicles	**Total**
	£	£	£	£	**£**
Cost					
At 1 April 2022	8,387,009	1,201,397	625,652	106,898	**10,320,956**
Additions	93,806	17,528	99,469	-	**210,803**
Revaluations	-	-	-	-	-
Disposals	61,370	-	-	(9,000)	**52,370**
At 31 March 2023	8,542,185	1,218,925	725,121	97,898	**10,584,129**
Depreciation					
At 1 April 2022	2,623,958	1,069,421	480,056	96,542	**4,269,977**
Charge for the year	285,918	87,033	98,984	6,459	**478,394**
Revaluations	-	-	-	-	-
Disposals	16,151	-	-	(9,000)	**7,151**
At 31 March 2023	2,926,027	1,156,454	579,040	94,001	**4,755,522**
Net Book Value					
At 31 March 2023	**5,616,158**	**62,471**	**146,081**	**3,897**	**5,828,607**
At 31 March 2022	**5,763,051**	**131,976**	**145,595**	**10,357**	**6,050,979**

16. FIXED ASSET INVESTMENTS

Total fixed asset investments comprise:

	2023		2022	
	Group	**Charity**	Group	Charity
	£	**£**	£	£
Interests in subsidiary undertakings	-	**10,001**	-	10,001
Market value of other fixed asset investments	**12,476,891**	**12,476,891**	12,837,993	12,837,993
	12,476,891	**12,486,892**	12,837,993	12,847,994

FIXED ASSET INVESTMENTS (CONTINUED)

Interests in group undertakings

At 31 March 2023, the Charitable Company held 100% of the allotted ordinary share capital of the following subsidiaries:

	Country of Incorporation	Class of Share Capital Held	Company Number	Nature of Business	Capital and Reserves £	Result for the Financial Year £
Tŷ Hafan Trading Limited	England & Wales	Ordinary shares	05129825	Trading Merchandise	12,273	334
Crackerjackpot Limited	England & Wales	Ordinary shares	08221671	Lottery Operations	10,000	-

Other fixed asset investments were held as follows:

	2023 Group and Charity £	2022 Group and Charity £
Listed Investments		
Market value at 1 April	**12,837,993**	12,530,466
Additions	**2,062,442**	3,500,777
Disposals	**(1,788,075)**	(4,001,036)
Cash movement	**(8,549)**	195,493
Revaluation	**(626,920)**	612,293
Market value at 31 March	**12,476,891**	12,837,993
Cash included in total	**867,758**	876,307
Historical cost	**12,107,828**	11,685,893

The market value at 31 March 2023 comprises a sum of £12,395,033 managed by Brewin Dolphin (2022: £12,754,664). Also included in the market value are £81,858 (2022: £83,329) of shares which were bequeathed to the Charity taking the investment portfolio to £12,476,891 at the balance sheet date.

Income generated totalling £322,995 (2022: £254,778) was invested after deduction of management charges of £52,176 (2022: £59,548). The investments are unrestricted. During the year there were £0 (2022: £500,000) withdrawals from the investment portfolio to fund capital and other programme expenditure. The portfolio includes £5,589,565 (2022: £6,244,176) invested in UK investments and £6,887,326 (2022: £6,593,817) invested in overseas investments.

17. STOCKS

	2023		2022	
	Group	**Charity**	Group	Charity
	£	**£**	**£**	£
Retail goods held for sale	**5,127**	**-**	3,460	-

18. DEBTORS

	2023		2022	
	Group	**Charity**	Group	Charity
	£	**£**	**£**	£
Trade Debtors	**460,649**	**460,649**	379,577	379,577
Prepayments and accrued income	**478,799**	**444,668**	410,001	403,577
Due from subsidiary undertakings	**-**	**180,014**	-	333,015
Employee benefit schemes	**2,405**	**2,405**	23	23
VAT recoverable	**65,547**	**65,547**	50,940	50,940
	1,007,400	**1,153,283**	840,541	1,167,132

Debtors are stated after provisions for impairment of £Nil (2022: £Nil).

19. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023		2022	
	Group	**Charity**	Group	Charity
	£	**£**	**£**	£
Trade creditors	**142,445**	**129,946**	192,184	190,379
Owed to subsidiary undertakings	**-**	**7,146**	-	8,480
Social security and other taxes	**164,555**	**157,371**	154,665	142,550
Accruals	**320,495**	**306,750**	193,832	183,660
Deferred income	**692,076**	**537,304**	326,973	169,692
	1,319,571	**1,138,517**	867,654	694,760

CREDITORS: DEFERRED INCOME

Deferred income consists of income received in respect of future draws of the group's weekly membership lottery, and grants to be utilised in future periods.

	2023		2022	
	Group	**Charity**	Group	Charity
	£	**£**	£	£
As at 1 April	**326,973**	**169,692**	304,569	148,277
Amounts released to incoming resources	**(223,194)**	**(65,913)**	(269,078)	(112,786)
Amounts deferred in the year	**588,297**	**433,525**	291,482	134,201
As at 31 March	**692,076**	**537,304**	**326,973**	**169,692**

20. PROVISIONS FOR LIABILITIES AND CHARGES

	2023		2022	
	Group	**Charity**	Group	Charity
	£	**£**	£	£
As at 1 April	**502,306**	**502,306**	615,363	615,363
Additions	**8,733**	**8,733**	15,484	15,484
Charged during the year	**0**	**0**	(128,541)	(128,541)
As at 31 March	**511,039**	**511,039**	502,306	502,306

The nature of the Charitable Company's activities requires it to enter into lease agreements for various items of equipment, property and vehicles.

The provision relates to management's best estimate of costs in respect of such items beyond fair wear and tear for which the Charitable Company is liable under the terms of each agreement.

21. PENSION SCHEMES

The Charitable Company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the Charitable Company to the scheme and amounted to £255,492 (2022: £242,229).

There were no outstanding or prepaid contributions at either the beginning or end of the financial year.

The Charitable Company also contributes to the NHS Pension scheme, whose fund is held independently of the Charitable Company. The scheme is an unfunded defined benefit scheme but the Charitable Company is unable to identify its share of the underlying assets and liabilities.

Employer contribution rates are reviewed every four years following a scheme valuation carried out by the government actuary. On the advice of actuary, the contributions may be varied from time to time to reflect changes in the scheme`s liabilities.

The last formal actuarial valuation undertaken for the NHS Pension Scheme was completed as at 31 March 2016 (published in February 2019). The primary purpose of the formal actuarial valuations is to set employer and employee contribution rates from April 2019. The Department of Health and Social Care have recently laid Scheme Regulations confirming that the employer contribution rate will increase to 20.6% of pensionable, pay from this date.

Completion of the 2020 valuation is expected from HMT in summer 2022, and the results of the 2020 valuation and the employer cost cap will be reported in the 2022- 22 NHS Pension Scheme accounts.

The contributions to this NHS scheme in the year were £83,150 (2022: £94,311)

The Charitable Company has made no employer contributions into employee personal pension schemes.

22. MOVEMENT IN FUNDS – GROUP

	Balance at 1 Apr 2022	Incoming resources	Outgoing resources	Transfers	Unrealised gain on Investments	Balance at 31 Mar 2023
	£	£	£	£	£	£
Unrestricted funds						
General funds	10,789,789	9,510,643	(9,107,929)	(814,865)	(626,920)	**9,750,718**
Designated Funds						
Care in Community	40,013	-	-	-	-	**40,013**
Fixed Assets	5,343,132	-	-	(138,778)	-	**5,204,354**
Planned Deficits	1,226,000	-	-	961,760	-	**2,187,760**
Major Capital Projects	500,000	-	-	-	-	**500,000**
Hospice Staff Costs	125,000	-	-	-	-	**125,000**
Transition	246,282	-	(70,654)	-	-	**175,628**
	7,480,427	-	(70,654)	822,982	-	**8,232,755**
Restricted funds						
Building	588,717			(8,117)	-	**580,600**
Hospice Equipment	39,487	16,000	(39,959)	-	-	**15,528**
Staff Costs	183,593	65,952	(149,813)	-	-	**99,732**
Hospice Service Users	31,159	25,171	(42,412)	-	-	**13,918**
Hospice Building Works	-	96,206	(250)	-	-	**95,956**
Hospice IT	-			-	-	**-**
Garden Works Project	34,789	3,356	(35,708)	-	-	**2,437**
Care in Community	-	5,114		-	-	**5,114**
	877,745	211,799	(268,142)	(8,117)	-	**813,285**
	19,147,961	9,722,442	(9,446,725)	-	(626,920)	**18,796,758**

Included within the above general funds are funds of the subsidiaries amounts to £12,273 (2022: £11,939) all of which are unrestricted.

MOVEMENT IN FUNDS – GROUP (CONTINUED)

General Funds:

General funds are available for use at the trustees' discretion in furtherance of the objectives of the Charitable Company. Included in general funds is the revaluation loss of investments to market value of £626,920 (2022: revaluation gain of £612,293).

Fund Transfers:

During the year £8,117 (2022 £212,663) was transferred from restricted funds to unrestricted funds. This relates to the depreciation charge on the building asset funded by the Welsh Government held in restricted funds (see note below).

Restricted Funds:

The Big Lottery provided funds towards an extension to the hospice in 2015 and equipment. This fund is charged with the depreciation arising thereon.

Welsh Government provided funding towards the purchase of the hospice freehold land. This land was purchased in 2010 and has been capitalised in the financial statements.

During the year we were also kindly donated funds towards the refurbishment of the hospice sanctuary space, staffing for bereavement, play and transition services.

Designated Funds:

Included in the Unrestricted Funds are 3 donations received that have been designated for specific future expenditure, a total of £125,000 has been ring fenced for hospice staff costs, £40,013 for providing care in the community and a legacy donation of £246,282 which is being spent on resources to help the transition between child and adult services. There is also an allowance for the funds invested in the hospice and office building of £5,204,354, a provision of £2,187,760 to cover planned deficits for the 2023/24 financial year and a £500,000 provision for major capital projects where grant funding is not available.

23. ANALYSIS OF NET ASSETS BETWEEN FUNDS

GROUP

	Fixed assets	Investments	Net current assets	Provision	Total
	£	£	£	£	£
Unrestricted funds	5,248,007	12,244,206	1,002,299	(511,039)	**17,983,473**
Restricted funds	580,600	232,685	-	-	**813,285**
Total funds	**5,828,607**	**12,476,891**	**1,002,299**	**(511,039)**	**18,796,758**

CHARITY

	Fixed assets	Investments	Net current assets	Provision	Total
	£	£	£	£	£
Unrestricted funds	5,248,007	12,254,207	980,026	(511,039)	**17,971,201**
Restricted funds	580,600	232,685	-	-	**813,285**
Total funds	**5,828,607**	**12,486,892**	**980,026**	**(511,039)**	**18,784,486**

24. RECONCILIATION OF INCOME/(EXPENDITURE) TO NET CASH FLOWS FROM OPERATING ACTIVITIES

	Note	**2023** £	2022 £
Surplus / (Deficit) of income over expenditure		**(351,203)**	429,425
(Gains) / Losses on investments	16	**626,920**	(612,293)
Net investment income and bank interest payable	5	**(323,001)**	(254,803)
Investment portfolio management fees	6	**57,176**	59,548
Depreciation	15	**478,394**	736,718
Disposals / Revaluation Movement	15	**(45,219)**	55,728
Increase in stock	17	**(1,667)**	12,842
Decrease / (Increase) in debtors	18	**(166,859)**	368,205
Increase in creditors	19	**451,917**	(1,521)
Movement in provision for liabilities and charges	20	**8,733**	(113,057)
Net cash outflow from operating activities		**735,191**	680,792

25. CAPITAL COMMITMENTS

As at 31 March 2023, the Charity had capital commitments totalling £0 (2022: £0).

26. OPERATING LEASE COMMITMENTS

As at 31 March 2023, the group had annual commitments under non-cancellable operating lease arrangement as follows:

	2023		2022	
	Group £	Company £	Group £	Company £
Land and Buildings				
Leases expiring within one year	142,717	142,717	193,800	193,800
Leases expiring within 2 to 5 years	80,825	80,825	214,792	214,792
Leases expiring within greater than 5 years	-	-	-	-
	223,542	223,542	408,592	408,592
Other Operating				
Leases expiring within one year	10,086	10,086	10,633	10,633
Leases expiring within 2 to 5 years	5,625	5,625	10,295	10,295
Leases expiring within greater than 5 years	-	-	-	-
	15,711	15,711	20,928	20,928

27. LEGAL CHARGE

The Charitable Company has entered into a covenant with the New Opportunities Fund to discharge all monies and liabilities which shall from time to time be due as set out in the grant contract. As part of the agreement to award the Charitable Company a grant to fund the building of the new Hospice extension as continuing security for the payment and discharge of the liabilities, the New Opportunities Fund have been granted a first legal mortgage over the land and premises at Sully, Penarth, which has a net book value of £5,616,158 (2022: £5,763,051), and the Charitable Company assigns to the fund by way of first fixed equitable charge each and all of the insurance and all future easements and other rights at any time vested in or conferred on the Charitable Company in connection with or otherwise for the benefit of the property.

28. CONTINGENT LIABILITY

Sale of Land

As part of the agreement to purchase the freehold of the land on which the hospice is built an overage agreement applies to future development which is payable to the previous freeholder. The restriction is in place until 2035. It is not possible at this time to quantify any contingent liability arising.

29. MEMBERS' LIABILITY

The Charitable Company is a private company limited by guarantee and consequently has no share capital. Each of the members is liable to contribute an amount not exceeding £1 towards the assets of the Charitable Company in event of liquidation.

30. RELATED PARTY DISCLOSURES

The Charitable Company is exempt from disclosing transactions with its subsidiaries under the provisions of FRS 102, as the subsidiaries are 100% controlled by the Charitable Company.

31. INDEMNITY INSURANCE

The group has taken out Charity and Charity Trustees Indemnity Insurance at a cost of £499 (2022: £499).

32. PRIOR YEAR STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted Funds	Restricted Funds	Total Funds 2022
	£	£	£
Income from:			
Donations and Legacies	**3,880,571**	**421,461**	**4,302,032**
Charitable Activities			
- Provision of Care	**613,139**	-	**613,139**
Other Trading Activities	**3,571,190**	-	**3,571,190**
Investments and other income	**254,803**	-	**254,803**
Total income	**8,319,703**	**421,461**	**8,741,164**
Expenditure on:			
- Trading Activities	**2,842,034**	-	**2,842,034**
Total income net of trading expenditure	**5,477,669**	**421,461**	**5,899,130**
Expenditure on:			
- Raising Funds	**999,217**	-	**999,217**
- Investment Management	**59,548**	-	**59,548**
Net income available for Charitable Activities	**4,418,904**	**421,461**	**4,840,365**
Charitable Activities			
- Provision of Care	**4,808,895**	**214,338**	**5,023,233**
Total Expenditure	**8,709,694**	**214,338**	**8,924,032**
Net income before gains/(losses) on investments	**(389,991)**	**207,123**	**(182,868)**
Net gains/(losses) on investments	**612,293**	-	**612,293**
Net Income / (Expenditure)	**222,302**	**207,123**	**429,425**
Gross transfers between funds	**212,663**	**(212,663)**	-
Net movement in funds	434,965	(5,540)	429,425
Reconciliation of Funds			
Funds balances brought forward	**17,835,251**	**883,285**	**18,718,536**
Fund balances carried forward	**18,270,216**	**877,745**	**19,147,961**

33. PRIOR YEAR MOVEMENT IN FUNDS – GROUP

	Balance at 1 Apr 2021	Incoming resources	Outgoing resources	Transfers	Unrealised gain on Investments	Balance at 31 Mar 2022
	£	£	£	£	£	£
Unrestricted funds						
General funds	9,898,183	8,319,703	(8,715,912)	675,522	612,293	**10,789,789**
Designated Funds						
Care in Community	32,220	-	7,793	-	-	**40,013**
Fixed Assets	5,395,991	-	-	(52,859)	-	**5,343,132**
Planned Deficits	2,136,000	-	-	(910,000)	-	**1,226,000**
Major Capital Projects	-	-	-	500,000	-	**500,000**
Hospice Staff Costs	125,000	-	-	-	-	**125,000**
Transition	247,857	-	(1,575)	-	-	**246,282**
	7,937,068	-	6,218	(462,859)	-	**7,480,427**
Restricted funds						
Building	443,037	168,797	(15,000)	(8,117)	-	**588,717**
Hospice Equipment	38,945	12,135	(11,593)	-	-	**39,487**
Staff Costs	187,867	149,469	(153,743)	-	-	**183,593**
Hospice Service Users	12,221	52,940	(34,002)	-	-	**31,159**
Hospice Refurbishment Appeal	163,154	36,620	-	(199,774)	-	**-**
Hospice IT	-			-	-	**-**
Garden Works Project	38,061	1,500		(4,772)	-	**34,789**
Care in Community	-			-	-	**-**
	883,285	421,461	(214,338)	(212,663)	-	**877,745**
	18,718,536	8,741,164	(8,924,032)	-	612,293	**19,147,961**

TY HAFAN

England & Wales - Charity number 1047912

Accounts

Annual report and financial statements
For the year ended 31 March 2022

Tŷ Hafan
www.tyhafan.org
Registered Charity No. 1047912
Company No. 3077406

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Trustees statement

The trustees confirm that their annual report and the accounts of the Charity and its subsidiaries for the year ending 31 March 2022, have been prepared in accordance with:

- the Companies Act 2006
- the Charities Act 2011
- Tŷ Hafan's Articles of Association
- the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102).

Chairman's introduction

The Charity continues its recovery from the hardships brought by the COVID-19 pandemic. We have adapted our services, providing care to children and families wherever it is needed, including in the hospice, in homes, in the community through stay and play hubs, and online.

The introduction of stay and play hubs has been a welcome addition to Tŷ Hafan's suite of services. These are events that take place around Wales, taking part of Tŷ Hafan to families in their local communities.

We were delighted to hold our first in-person memorial service in two years, the summer service of remembrance. This special event brought Tŷ Hafan families together to remember the children they have lost. The service of remembrance was also held online for those families who were still shielding, unable to travel or found virtual attendance preferable.

The Charity faces a different yet equally pressing challenge with the cost-of-living crisis and dramatically increasing energy costs. Much of the electrical equipment used at the hospice is essential for proving the care that children with life-shortening conditions need, but the prices that fall hand-in-hand with running this equipment have surged beyond recognition.

Difficult and uncertain economic circumstances are impacting across all of society, which is the predominant reason why the Charity's donations from individuals have dropped to the order of 50%.

The challenges that the Charity has been facing have been widely reported in the media. Creating awareness of the trials affecting the Charity and the families we support is a key factor in driving the financial support on which we rely so heavily. Despite uncertainty and apprehension in the times in which we live, one thing remains constant: Tŷ Hafan is still robust in its mission to provide unwavering support and care to the children and families across Wales that depend on its services.

On behalf of the board, I would like to extend heartfelt and grateful thanks to Tŷ Hafan's donors, supporters, staff and volunteers. Without this generosity of support, we would not be able to provide the level and consistency of care and support to the children and their families, which is in high demand and accepted with immense gratitude.

Martin Davies
Chairman of the Board

Chief executive's statement

At Tŷ Hafan we started 2021/22 with a great degree of optimism, buoyed by the prospect of leaving behind the restrictions of the pandemic which created immense challenges for us across the charity, particularly in income generation and aspects of care provision. Perhaps fortuitously, at that time, we had no sense of the further difficulties that might lie ahead.

Given the vulnerability of the young children and families we support, we continued to rigorously follow the guidance of Public Health Wales at our hospice, in our offices and in our shops. For colleagues delivering front-line care, this meant continuing to wear restrictive Personal Protective Equipment (PPE), a personal challenge for the staff but also a barrier to the all-important personal interactions with the children. I am incredibly proud of the fortitude, resilience, and professionalism of our care colleagues, always prioritising the needs of children and families before their own. Similarly, our community care teams, office-based teams and colleagues in our portfolio of 19 retail shops maintained rigorous testing to protect the families and members of the public with whom they engaged every day. The commitment and dedication of our teams were key to overcoming the many workforce challenges we experienced due to the continued prevalence, and mutation of, the virus.

As the restrictions lifted, colleagues embraced the positives from our pandemic working practices. For example, our community and partnerships teams continued to offer virtual play therapy sessions, blending this with our in-person, in-home and community sessions. This allowed us to increase our reach and to offer one-to-one support to many more children and families. As we introduced all non-front-line colleagues back to the offices, we trialled hybrid working arrangements. This offered colleagues flexibility and the opportunity to minimise commuting costs whilst retaining high standards of service. It also helped us to reduce our carbon footprint.

Having pressed ahead with a major refurbishment of the children and family rooms in our hospice during the pandemic, during which time we continued to admit children requiring crisis stays or end of life care, we were able to reveal the beautifully upgraded facilities and welcome back more children and families for therapy and respite stays. We received the recommendation of an independent care services review and commenced implementation of recommendations.

In October, Healthcare Inspectorate Wales completed an inspection of the hospice, and feedback was overwhelmingly positive.

Funding our care costs continued to be a major priority and this was underlined in our business plan, which forecast an operating deficit of £1.6m. With the benefit of Covid funding, and thanks to continued prudence, focused fundraising efforts and the solid performance of our investment portfolio, we ended the year on relatively positive note with a net deficit of £390k, excluding restricted income, (2020/21 – net surplus of £264k).

Throughout 2021/22 we embraced opportunities to collaborate with others. Our joint public affairs initiative with Tŷ Gobaith, the children's hospice in North Wales, resulted in a welcome increase in the contribution we receive from Welsh government. Statutory funding was uplifted from 12% to 20% of care costs including commissioned income, with the increase taking effect from 2022/23.

To continue to build awareness of the important role the charity plays in the health and social care ecosystem in Wales, we engaged with members of the major political parties

and Welsh government, as well as the Children's Commissioner in Wales, Sally Holland and the Minister for Health & Social Care, Eluned Morgan.

With continued reliance on the incredible generosity of the Welsh public, our Income Generation initiatives focused on investing in sustainable income streams to improve our contribution to care costs. Our lottery, Crackerjackpot (tyhafanlottery.co.uk), continued to be a popular, accessible product for supporters. With virtual events on the wane, we tentatively reintroduced in-person events. Our first major concert at Llandaff Cathedral, headlined by the world-renowned Treorchy Male Voice Choir, in December 2021 reassured us that our supporters were still very much there for us. Exciting new partnerships were announced, including Morrisons, in collaboration with Together with Short Lives, and the iconic Welsh mutual, Principality Building Society, in association with Tŷ Gobaith. Our supporters continued to bolster us, and our corporate sponsors and major donors were, as always, stalwart in their support.

As the year progressed and the employment market became more buoyant post-pandemic, we bade farewell to some loyal colleagues and welcomed many new members to our teams, some of which were redesigned to reflect the new ways of working.

The trustees supported our plans to invest in several initiatives to support the recruitment, development, and retention of our colleagues. These included investments in well-being, leadership development, volunteer development and several strategic HR projects, as well as the inception of a project to review our brand, our culture and our vision, mission and values and projects to introduce an intranet, and to replace our website.

Other sources of light in an otherwise challenging year included the confirmation of Seth Burke, one of the young people accessing our services, to the Welsh Youth Parliament. We also completed a project to digitise the children's handprints which have been an enduring feature of our hospice, ensuring that they will be preserved forever. Our Teenage den was opened, creating a bespoke space for young people who use our services. We also created a beautiful sensory garden for the benefit and enjoyment of our children, families, and colleagues. This has become a key feature of our lovely grounds, which are beautifully enhanced and maintained by the fantastic team of volunteer gardeners, ensuring that our seven acres by the sea can be enjoyed by children, families and colleagues throughout the seasons.

As always, motivated and inspired by the incredible children, young people and their families and my fantastic colleagues, I look forward to the year ahead with renewed vigour and refreshed hope.

Thank you for your support. We could not do what we do without you.

Maria Timon Samra
Chief Executive

Tŷ Hafan – being there

Tŷ Hafan provides specialist care and support for children and young people living with life-shortening conditions and their families in Wales. As the children and young people referred to our service are not expected to live beyond 18 years of age, we focus all we do on ensuring a short life is a full life. The care and support provided by Tŷ Hafan continues through bereavement and beyond. Put simply, we are always there.

As a charity we support children and young people with a diverse range of conditions which include severe cerebral palsy, cancer, Duchene muscular dystrophy and many very rare genetic conditions. Some of the children we care for have been diagnosed at, or before birth, some in early childhood, whilst others receive no diagnosis and live with unpredictable health over an extended period with an uncertain prognosis. Wherever and however our services are provided, they are available completely free of charge to children and their families.

Families live each day with the reality of knowing their child may die young. Our unique understanding of how this impacts every part of their life shapes the care we provide. In all cases, this is tailored and heartfelt, and designed to meet the individual needs of a child and family. Our care is always holistic, focusing on physical, emotional, social, and spiritual needs. This means that throughout our journey with the child and their family we help them make the most of every moment, enabling them to focus on living whilst acknowledging dying.

Tŷ Hafan's skilled and experienced multi-disciplinary care team includes nurses, and health care support workers, specialist nurses and therapists, family support workers, and play workers, who work together with GPs and medical experts to provide seamless support that flows across organisational and geographical boundaries. As the needs of children and families change over time, we re-shape our care and support so it is available for families when and where they are needed most.

Such long periods of illness and extended uncertainty inevitably place a huge strain on family life, so our support is inclusive, encompassing the wider family including parents and siblings. When the time comes, our support continues after the death of a child, and we are there for bereaved families for as long as they need us.

The decreasing incidence of Covid across communities in early 2022 brought about a welcome return of much missed freedom for many people. For the families of children with life-shortening conditions, emerging from the pandemic has been much slower and more cautious, with many families concerned about the continued risks presented by the virus to their vulnerable children.

Lives, that are already unfairly hard, continue to be impacted by fear and isolation. In the midst of this uncertainty, families shared how Tŷ Hafan is a 'haven' for them – somewhere they feel safe and supported, cocooned from the risks of the outside world for a little while.

Care at Tŷ Hafan's hospice

While we have prioritised residential care for children and families with the greatest need and for children at the very end of life, we have continued to improve our environment to ensure we are ready to welcome more children in 2022/2023. Our refurbished hospice is bright and cheerful with an engaging beach theme that has been shaped by involving children, young people, families and staff, with personalised children's rooms. Our family rooms have been updated, to provide a relaxed

environment for exhausted parents and siblings. While the look and feel may be different, the warmth of the welcome remains uniquely Tŷ Hafan.

Throughout 2021/22 the Covid-19 pandemic continued to place significant challenges on the delivery of care services. Our nursing teams continued to work in PPE, resolute in their commitment to be there for children who needed crisis or end of life care. In this second year of the pandemic, building on the trend for virtual engagement, we sought opportunities to do things better or differently. Strengthening the blended model of support, we introduced in 2020/21, we provided residential care for children and families requiring supportive stays to stabilise their condition and/or sustain family coping and wellbeing, while increasing access to care and support at home, or closer to home, for more children and families.

As we look towards more stable times, we are working to reintroduce planned short break stays at the hospice for children and families. Often referred to as respite care, this is a vital lifeline for families, enabling them to step away from the 'round the clock' caring responsibilities, secure in the knowledge that trusted help and support is nearby. For some families this allows them time to focus on themselves or other siblings, perhaps to enjoy activities that are too difficult to arrange or participate in with a child who is dependent on help and support.

Care in hospitals
As children access care and support in multiple settings, we liaise to ensure that our services work effectively with hospitals and organisations, seeking to complement the services they provide.

When a child with a life-limiting condition is admitted to hospital, it usually means the child has become more unstable, or a sudden deterioration has occurred. Tŷ Hafan's services work with hospital-based care teams, enhancing the support and providing families a trusted and familiar point of contact at a time when life may feel out of control. In the final days and weeks, our teams will be alongside the family, exploring their wishes for end-of-life care, including arranging a transfer to the hospice as the child, young person or family prefers.

Care at or closer to home
The scope and diversity of services delivered virtually as well as at home or closer to home has been expanded, reflecting an increased focus on family wellbeing and outreach services. Through talking with families, we have come to understand how shorter and more local interventions, delivered more frequently, can make a big difference.

Most children with life-limiting conditions live their lives in their local communities, so reaching into homes and communities means families can receive care and support in a more flexible way. Local services are often easier to access, less disruptive to day-to-day family life, and enable the whole family to be involved.

Families can select from a range of services that includes in person visits at home or through video enabled technology, services in community hubs and events across our geography, ranging from Aberystwyth to Newport to Brecon.

Our closer to home 'stay and play' hubs provide meaningful play therapy and engagement activities for children delivered by our experienced play team – a time for fun and distraction in a setting that enables them to share this experience with other children. For mums and dads, this is a time to enjoy some peer support, to learning from

each other and share experiences. It also creates time to focus, for a while, on their own wellbeing, enabling them to access complementary therapies and family support.

Fostering connections and strengthening self-support
Many families live with the reality that their child's condition is so rare that few other families can understand what this feels like. Tŷ Hafan creates a sense of community that leaves families feeling better supported through shared experiences. One way of achieving this, especially during the pandemic, has been through a network of 'closed' Facebook groups – an online community of people learning from each other, accessing information, and being there when things feel tough. This important service is available for mums, dads, siblings, and our 'squad' of older young people who no longer access Tŷ Hafan's residential services but want to stay in touch with their friends.

Emotional support around the clock
Caring for a child with a life-shortening condition is exhausting and can feel overwhelming for families who have little time to rest while fulfilling their 24/7 role as parent carers with skill and expertise. The family support team, comprising of family support workers and family support practitioners, is available around the clock every day of the year. This vital service is now multi-channel – available face-to-face at home, via video enabled technology, on the phone, and through one-to-one sessions at the hospice and in local communities.

Support for siblings
The brothers and sisters of children with life-shortening conditions face unique challenges themselves. Tŷ Hafan offers specialist support that recognises this and provides opportunities to understand and express their thoughts and feelings as well as develop mechanisms to help them cope and thrive against a backdrop of isolation and loss. Sibling support is age appropriate and flexes to meet needs over a lifetime of support. Support is offered at the hospice and closer to home on a one-to-one basis as well as in group settings.

Practical support
Research shows that the families we meet are more likely to experience financial hardship and can find it difficult to access additional support. Tŷ Hafan's signposting and advocacy services are vitally important. We use our voice whenever and wherever it is needed to enable the challenges experienced by families to be better understood, and to help identify solutions to make these unfairly difficult lives a little easier.

Transitional care and support
When a young person expected to die in childhood approaches their 18th birthday, there will be cause for celebration, but this is often accompanied by anxiety as they begin the transition from children's services to adult services. Some families describe this time as a 'cliff edge' as they move away from all that is familiar and need to form new relationships with adult services. Tŷ Hafan provides a range of individualised services to make this experience less daunting. A paediatric palliative care consultant and a specialist nurse work across organisational boundaries jointly working with adult hospices and other specialist teams so that the young person and their family feels safe and supported. Recognising the need for young people to have social opportunities to engage with peers is another important focus for transition support. The team facilitates a number of social events for this cohort of young people and for their parents who are also learning to navigate new relationships with their adult children.

End of life

When the time comes for a family to say goodbye to their child, our focus turns to supporting families with the unfamiliar experience of bereavement and with the immediate practical decisions they need to make. This support is designed with the individual needs of families in mind, but also includes opportunities for families to come together to remember their children through dedicated events and remembrance services. Bereavement is experienced uniquely, and we are here for families for as long as they need us. Families are always welcome back to the hospice, where children are remembered in memorial services, in our memorial garden and are “forever in our skies”, as part of Tŷ Hafan’s unique birdsong project.

Key facts

Number of families supported: 353

Total family member beneficiaries: 1060

Number of bereaved families supported: 273

Number of respite nights provided: 1396

Number of community interventions: 8330

Public benefit, vision, mission and strategic objectives

Having taken Charity Commission guidance into consideration, the board is confident that our Charity meets the public benefit requirements set out in the Charities Act 2011, and that our activities are consistent with our aims and objectives.

We believe that the Charity's vision, mission and strategic objectives enable us to meet the public benefit requirements by delivering a broad range of services free of charge to our beneficiaries.

Vision
A Wales where all children who may die in childhood live a fulfilling family life.

Mission
To offer a high standard of free care to children in Wales who may die in childhood in order to enrich their quality of life and support their families during life, at end-of-life and through bereavement.

Strategic objectives
Tŷ Hafan's strategy has four core goals; develop our services, expand the reach of the Charity, build resilience within the organisation, and invest in our people. Across all of our goals we are committed to demonstrating openness and transparency.

Objectives:

- To support the identification of all children with life-shortening conditions in Wales who may die in childhood and, in cooperation with others, offer them and their families, needs-assessed palliative care and support.
- To ensure best practice in the delivery of a range of unique, high quality and complementary bespoke care services to children and their families.
- To provide sustainable funding to support the provision of care, now and in the future, and ensure the effective and efficient use of resources.
- Aim to position Tŷ Hafan as the primary authority leading collaborative efforts to facilitate the development of paediatric palliative care in Wales, and as the most recognised charity in Wales.
- To attract, retain, engage, and nurture the best people to achieve the Charity's objectives.

Fundraising

In 2021-22 Tŷ Hafan received just 6% of its funding from government sources, and raised the remaining funds through voluntary fundraising activity.

Following an extremely challenging year for fundraising activity in 2020/21, some challenges continued into 2021/22 as a result of the ongoing impacts of the Coronavirus pandemic.

The pandemic continued to cause challenges for fundraising events, with many of Tŷ Hafan's established events being cancelled or postponed. We continued to organise virtual events and to encourage supporters to set themselves virtual challenges to fundraise for us. Our first face to face event (Christmas at the Cathedral) took place in December 2021, but with social distancing restrictions limiting the number of attendees.

Individual supporters continued to help us by making one-off gifts or giving monthly and this remains a crucial and stable part of our fundraising activities. The generosity of philanthropic individuals making large donations once again played a vital role in Tŷ Hafan's fundraising activities this year while awards from grant making bodies such as trusts and foundations also formed an important part of our income.

Legacy donations from people who remember us with a gift in their Will grew significantly in 2021/22 and remains a poignant and important source of funds for the Charity.

Fundraising from businesses continued to be challenging with many organisations focussing their efforts on protecting their business from the ongoing impacts of the pandemic, while ongoing home-working arrangements continued to impact fundraising efforts. However, the mutual benefits of business partnerships remain an essential part of fundraising activities.

Fundraising from community groups, organisations and institutions, including Friends of Tŷ Hafan groups, showed some signs of recovery in 2021/2022, as supporters were more able to organise their own events as lockdown restrictions eased. However, ongoing restrictions during part of the year prevented this area of fundraising from recovering to pre-pandemic levels.

Financial support from our donors was supported by Tŷ Hafan's commercial activities, which play an important role in enabling the Charity to retain diversified income sources. The Crackerjackpot lottery, wholly owned by Tŷ Hafan, remained buoyant across the year and continued to generate a reliable and substantial income for us. Tŷ Hafan shops provided a hub for local communities to shop, donate, volunteer and learn more about our charitable activities.

Fundraising practices

Tŷ Hafan is registered with the Fundraising Regulator and is committed to the Fundraising Promise and adherence to the Fundraising Code of Practice.

In the course of fundraising, we will inevitably come into contact with people who may be in vulnerable circumstances, including the families of the children we support. Our Ethical Fundraising Policy outlines our commitment to engage carefully and sensitively with vulnerable people.

In 2021/22 we did not pay third party professional fundraisers to generate funds, but did receive funds from local and national corporate partners who provided charitable

contributions to us from the sale of their good or services. For all of these partners, commercial participator agreements were in place.

We are continually looking for ways to improve Tŷ Hafan's fundraising practices and ensure we maintain high standards for fundraising at all times. Listening to and learning from complaints about fundraising is a crucial part of this process. In 2021/22 we received two complaints directly related to our fundraising activities, which were resolved. We were not subject to any complaint investigations through the Fundraising Regulator. We provide details of how to contact us, including our complaints policy and procedure on our website.

Fundraising performance

Our fundraising efforts continued to be impacted by the Coronavirus pandemic. However, there were a number of significant highlights for fundraising activities over the year:

- £1.5m from entries into our Crackerjackpot lottery. An average of 29,708 weekly plays.
- £1.3m received from individuals who remembered us with a Gift in their Will.
- £0.7m received from individual supporters through regular giving or other monetary donations.
- £1.8m generated from our supporters shopping or donating at one of Tŷ Hafan's shops across Wales.
- £0.6m from businesses and organisations that have raised or donated funds to help Tŷ Hafan deliver care and support to eligible children and their families.
- £0.3m received in grant awards from institutions such as trusts and foundations.

Our people

Employees

To enable the Charity to provide care to our service users through fundraising activities, we employ approximately 200 staff with a broad range of skills and experience. We have variety of staff roles such as shop managers, fundraisers, administrators, clinical, health and social care specialists. To support these staff to work efficiently we also employ HR, IT, finance and governance professionals. Together, we are dedicated to delivering the best possible service for children with life-shortening conditions and their families in Wales.

To enable staff to fulfil their potential we provide training and personal development programmes. Statutory care training sits alongside both internal and external training to ensure excellence across the Charity. New initiatives have been introduced this year to support staff wellbeing and to develop management and leadership skills.

Feedback from staff through the year has been vital in ensuring that the Charity meets the needs of colleagues to continue to drive the organisation forwards.

Equality, diversity and inclusion are fundamental to Tŷ Hafan as an organisation. Our processes ensure that no member of staff or job applicant receives less favourable treatment on grounds of age, disability, gender reassignment, marital status, pregnancy and maternity, religion or philosophical belief, sex and sexual orientation.

Volunteers

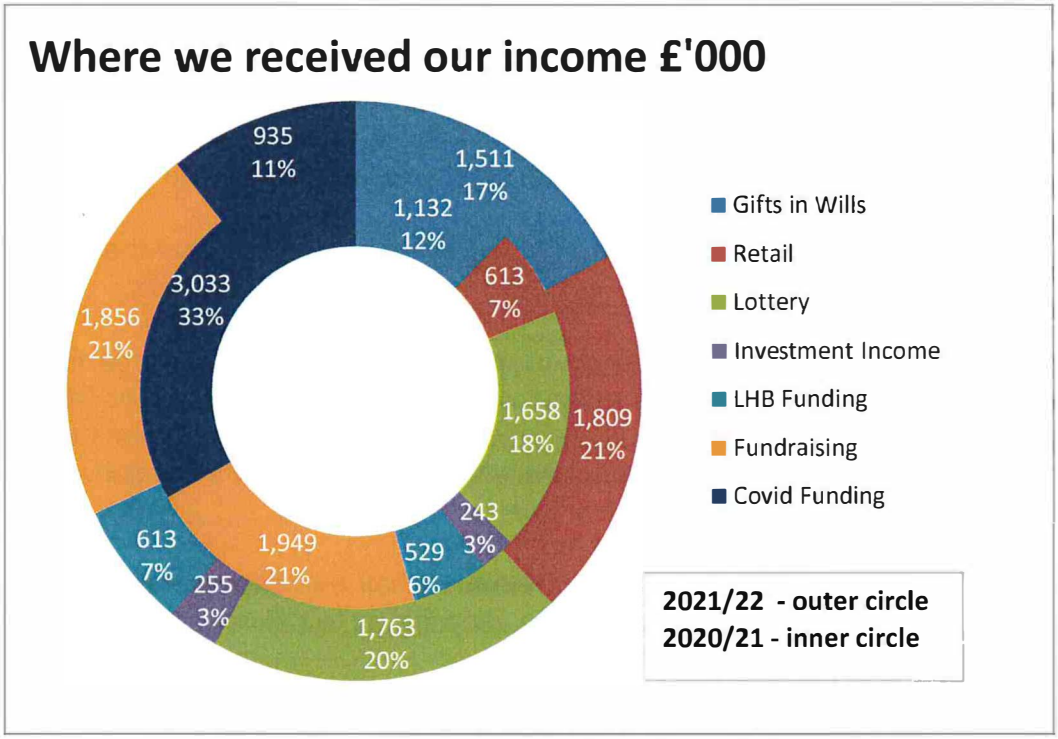
Volunteers play a fundamental role at Tŷ Hafan. Their dedication, hard work and generous donation of their time are vital in allowing us to deliver care services to our beneficiaries.

The roles that volunteers play at the Charity are many and varied, each as meaningful and important as the next. Roles include entertaining the children with story-time sessions, tending the extensive gardens at the hospice, assisting in our shops, and promoting awareness and supporting fundraising activities.

Although it is not possible to acknowledge the contribution that volunteers make as a financial amount in our annual accounts, their work is invaluable to the Charity, and we would not be able to support children with life-shortening conditions or their families without such dedicated volunteers.

Financial review and results for the year
Results for the year ended 31 March 2022 are shown in the Consolidated Statement of Financial Activities on page 29. This shows the financial results for Tŷ Hafan and its trading subsidiaries, Tŷ Hafan Trading Limited and Crackerjackpot Limited, which both donate their profits to the Charity.

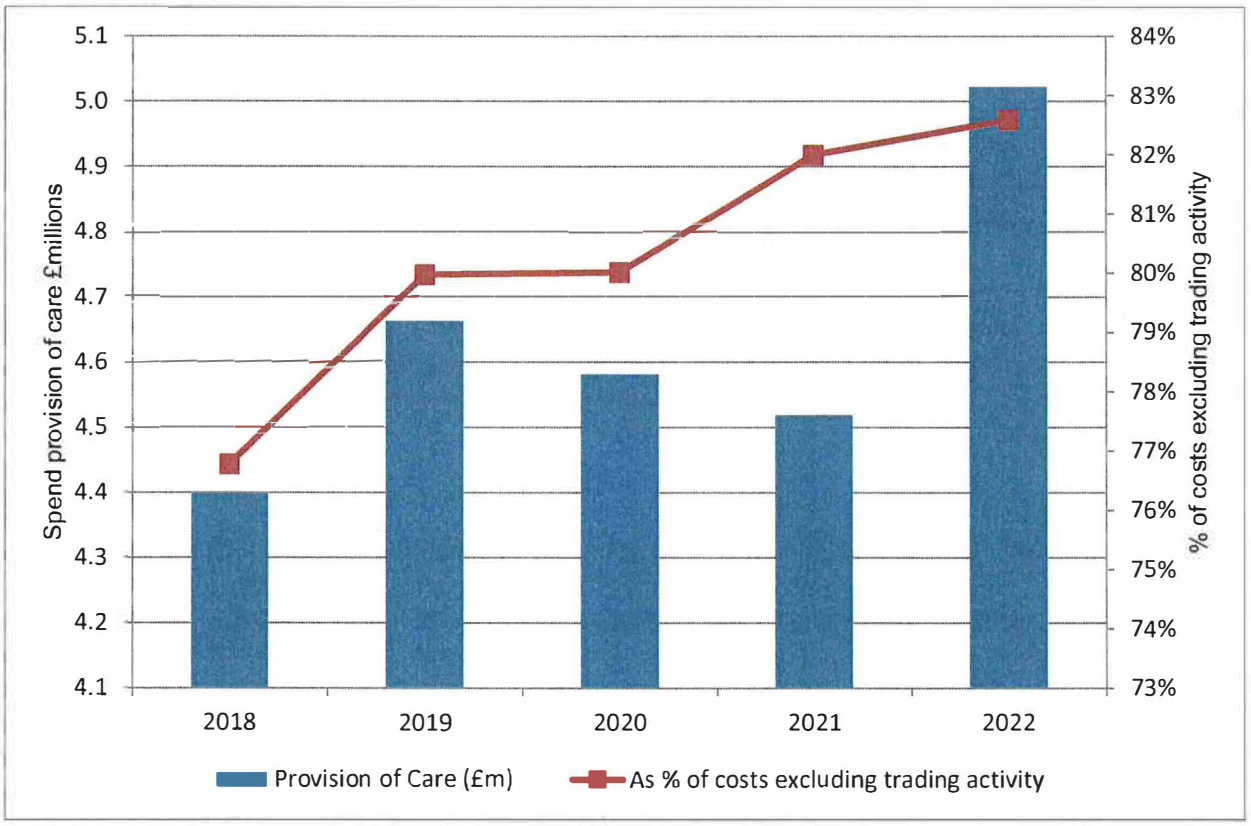
Income
Total income received in 2021/22 was £8,741,164 (2020/21 £9,157,070). This represents an 5% decrease from the previous year.



We continued to see the impact of the pandemic on income generation, however, retail income improved as lockdown restrictions were lifted. Thankfully, we still received some support of £935k (2020/21 £3m) from the government to help offset the impact of the pandemic.

Expenditure
Total expenditure in 2021/22 increased by £396,312 (+5%) to £8,924,032 (2020/21 £8,527,720). There was a significant increase in spend in the provision of care of £503,238 (+11%) due to an uplift in services provided at the hospice and in the community.

Five Year Expenditure on Charitable Activities



Excluding trading activity in retail and lottery, 83 pence of every pound of expenditure is spent on charitable activity. This is in line with our objective to ensure more of our donations are used directly for the Charity's beneficiaries.

Cashflow

Overall, in 2021/22 there was a net cash inflow of £535,407 increasing the cash held to £784,948 as at 31 March 2022. This included the withdrawal of £500,000 of funds from our investment portfolio during the year.

Reserves

The board considers the maintenance of unrestricted reserves as an essential safeguard to mitigate the risks faced by the Charity and their potential impact on income and planned expenditure. The Charity has a responsibility to give confidence to its beneficiaries that we can provide our services even during times of economic uncertainty.

The board has established the level of reserves using the methodology outlined in the Charity Commission guidance and has considered the level of required reserves based on the assets used in the Charity, identifying potential risks to the Charity and likelihood of events occurring.

The reserves policy is reviewed and agreed each year by the board.

The Charity's reserves are detailed in note 22 and 23 of the accounts.

At 31 March 2022, the Charity held £10,789,789 in unrestricted free reserves (2021: £9,898,183). The reserves were broken down as follow:

	31/03/2022	**31/03/2021**
Net Assets	£19,147,961	£18,718,536
Less Designated Reserves	(£7,480,427)	(£7,937,068)
Less Restricted Reserves	(£877,745)	(£883,285)
Unrestricted Free Reserves	**£10,789,789**	**£9,898,183**

Unrestricted free reserves have increased by £891,606 (+9%) during the year. Designated reserves have been reduced by £456,641 (-6%) and include a reduced provision for future planned deficits and an allowance for major capital projects if no funding is available. Designated reserves also include the net book value of property owned by Tŷ Hafan.

Going concern

The Charity's financial position and performance has been outlined in the financial review above. The board has assessed projected future income, expenditure and cash flows, and analysed the strength of the Charity's reserves, liquid assets and its ability to withstand a material fall in income. Consideration has been given to the stability and diversity of various income streams in making this assessment and the challenges currently faced by the Charity due to the pandemic.

The board has concluded that there is a reasonable expectation that Tŷ Hafan and its trading subsidiaries, Tŷ Hafan Trading Limited and Crackerjackpot Limited, have adequate resources to continue activities for the foreseeable future. Therefore, they have continued to adopt the going concern basis in preparing the financial statements.

Approach to financial investments

Decisions about the investment strategy and policy are governed by the finance with governance committee for approval by the board. The investment strategy is formally reviewed with our investment managers and finance with governance committee annually and more frequently when considered necessary.

Tŷ Hafan's investment portfolio is managed by investment managers according to the board's instructions.

Tŷ Hafan's investment risk appetite for its investment portfolio is consistent with a strategy of seeking to preserve and generate longer term capital growth and income ahead of the rate of inflation in order to grow the free reserves of the Charity. Tŷ Hafan does not depend on investment returns to fund its short-term operational requirements and is, therefore, able to tolerate short to medium term volatility of its investment portfolio.

The total value of Tŷ Hafan's investment portfolio as at 31 March 2022 was £12,837,993 (2021: £12,530,466) representing an overall increase in value for the year of £307,527 or +2% (2021: +18%).

During the year, there was a cash withdrawal from the portfolio totalling £500,000 (2021: £500,000).

The board recognises it has a responsibility to consider any ethical implications of its investments. This could lead to conflicting objectives between delivering the targeted returns and excluding certain investments that go against Tŷ Hafan's ethos and purpose.

It is, therefore, Tŷ Hafan's policy to use a negative screening approach avoiding investment in companies or sectors undertaking a particular activity or operating in a way which may be harmful to Tŷ Hafan's interests. This is reviewed annually alongside the investment policy review.

Structure, governance and management
As a charitable company operating an independent hospital and running a lottery, we are accountable to primary regulators and it is therefore a legal requirement to register with Companies House, Charity Commission, Healthcare Inspectorate Wales and the Gambling Commission.

We're also registered with government departments e.g. HMRC, local authority services and other bodies e.g. Fundraising Regulator and ICO, usually governed by self-assessment of compliance with regulations and/or filing annual returns.

The board of directors is legally responsible for financial probity, legal and regulatory compliance, and the Charity's registration as a private voluntary hospital under the Independent Healthcare (Wales) Regulations 2011.

The board, as the accountable body, governs Tŷ Hafan through its constitution. Tŷ Hafan's Articles of Association, Scheme of Governance (including Standing Orders, Matters reserved for Board, and Scheme of Delegation) and Statement of Purpose form the Charity's governance framework for implementing the Charity's strategic objectives, monitoring progress, and managing the Charity's activities effectively, honestly, prudently, safely, transparently, and without personal gain.

Trustee recruitment and development
A trustee code of conduct ensures trustees continue to act within their powers to deliver the Charity's objectives for the long-term benefit of the Charity's beneficiaries. They must exercise their duties, individually and collectively, according to the Charity's constitution and charity law.

In line with best practice and the Charity Governance Code, the board continuously seeks to augment the diversity of its skillset through a continuous succession plan. Trustees are subject to a rigorous interview process, probationary period, due diligence checks and induction to ensure they become effective members of the board, working in the best interest of the Charity. Trustees play an engaged role, volunteering their time and support freely. They contribute the benefit of their professional expertise, and collaborate to protect and develop the Charity in a heavily regulated environment.

Trustees may now serve up to a maximum of eight years and may be nominated for re-election at the end of the first four-year term. The board and senior executives of Tŷ Hafan are listed within the 'reference and administrative details' section of the accounts.

Delegation
Although specific authority is delegated to the chairman, committees and the chief executive, the board remains ultimately accountable for the Charity's affairs, financial probity, legal and regulatory compliance and registration as an independent hospital. The board sets the long-term goals for the Charity and the chief executive, who is responsible for operational activity, translates this into a strategy and business plan to be delivered by the executive team. The board overseas the management of the Charity and meets regularly to receive reports from its committees, executive directors and officers of the board.

Committees
The board benefits from the support of four standing committees, and various ad hoc committees, with specific remits to scrutinise the management of the Charity's operations. Each committee comprises a chair, members selected by the nominations committee and committee chair, and executive directors, as advisors to the board. The standing committees are:

- Clinical governance committee, upholding excellence in clinical care by monitoring the quality of safeguarding and care service delivery.
- Finance with governance committee examines financial, fiduciary and investment matters, as well as the Charity's governance arrangements.
- Directorate and operations committee, which considers operational management and fundraising activity.
- Remuneration committee reviews issues relating to staff financial compensation, and terms, conditions and benefits.

The nominations committee meets as required to ensure an effective board is in place to govern the Charity with financial probity and transparency. This committee scrutinises the board's composition and performance, ensures robust recruitment and succession planning, and that the board complies with the Charity's governing documents and policy framework.

Pay structure
The board ensures that there is a transparent process in place for the setting of salaries within the Charity to ensure fair and equitable pay, determined by affordability, economic indicators, and competitiveness. This is achieved by an annual review to benchmark every paid role within the Charity against comparable roles in similar organisations. Recommendations for proposing annual pay awards are considered by the remuneration committee and, if endorsed, require board approval. Remuneration for members of the executive team, including the chief executive, is considered separately, and agreed by the board.

Subsidiary companies
As disclosed in note 16 to the financial statements, Tŷ Hafan owns two subsidiaries, Tŷ Hafan Trading Limited and Crackerjackpot Limited, which are independently governed and gift surplus funds to the Charity.

Managing risk and uncertainties

Tŷ Hafan conducts a broad range of activities including the delivery of specialist paediatric palliative care within a hospice environment, as well as providing health and social care outside the hospice. It operates a network of retail shops, organises fundraising, marketing, and events activities, and conducts regulated gambling through the Charity's subsidiary, Crackerjackpot.

The breadth of these activities requires a careful, systematic and robust approach to risk and uncertainty to safeguard the Charity's people and resources. We continue to reach for the highest standards of clinical and charity governance, and ensure effective delivery of charitable objectives.

Tŷ Hafan's risk management framework, as part of our risk management policy, is central to Tŷ Hafan's Scheme of Governance and is based upon the principles of BSI ISO 31000 and COSO Enterprise Risk Management framework. The aim is to integrate the risk management policy in the Charity's business planning processes enabling trustees to comply with the regulatory requirement to publicly account for the effectiveness of the Charity's risk management processes.

Process of risk management

The corporate risk register is scrutinised regularly by the executive team and risk managers to ensure that adequate control measures are in place for each risk identified. Recommended actions are attached to each risk and assigned to an owner to reduce the likelihood of the risk occurring or mitigate the consequences should it do so. The recommendations are examined by the relevant committees and passed on to the board for approval at least on an annual basis.

In response to external factors, economic, environmental and geopolitical crises, risk mitigation continues to be addressed through the business plan, by the continued review and implementation of additional management controls and by strengthening the Charity's governance. The top five strategic risk categories are presented below, the impact of which might consequentially damage the Charity's reputation:

- clinical governance
- compliance, with increasing regulatory demands
- financial sustainability
- people, primarily resource pressures
- technology, including cyber threats

The board is satisfied that risk management is regularly assessed to ensure that actions and controls are effective and also ensure that the Charity remains compliant and works to best practice in caring for children and their families.

Tŷ Hafan is not aware of any principal uncertainties as at 31 March 2022, nor in the period before signing the annual report and accounts

Reference and administrative details

Registered Company Number	3077406
Registered Charity Number	1047912
Registered Office	Tŷ Hafan, Hayes Road, Sully, CF64 5XX
Auditors	Bevan Buckland LLP, Swansea
Principal Solicitors	Hutchinson Thomas, Swansea
Principal Bankers	HSBC Plc, Cardiff, Barclays Bank, Cardiff
Investment Managers	Brewin Dolphin Investment Managers

The board

The following were appointed or resigned during the period or are currently registered as non-executive directors and trustees:

Martin Davies	Chairman of the board
Dr Keith Holgate	Deputy chair of the board
Richard Adams	Resigned 21 May 2021
Sue Carter	
John Hoskinson	Appointed 30 June 2022
Dr Huw Jenkins	
Helen Matthews	
Mick McGuire	
James Pepper	
Elizabeth Thomas	
Sian Thomas	

Executive directors

The following were in post during the period:

Maria Timon Samra	Chief executive
Jason Foster	Director of finance
Deborah Hoe	Director of care
Phae Jones	Director of income generation
John Mladenovic	Director of marketing & communications and lottery
Zoe Tippins	Director of people services

Trustees' responsibilities in relation to the financial statements
The trustees (who are also the directors of Tŷ Hafan for the purposes of company law) are responsible for preparing the trustees' annual report and financial statements in accordance applicable law and United Kingdom accounting standards (United Kingdom Accepted Accounting Practice).

Company law requires the charity trustees to prepare financial statements for each 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 the financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charity SORP
- 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 company will continue to operate.

The trustees are responsible for keeping adequate accounting records that disclose, with reasonable accuracy at any time, the financial position of the charitable company and 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information (as defined by Section 418 of the Companies Act 2006), of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make them aware of any relevant audit information and to establish that the auditor is aware of that information.

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

Auditors
The auditors, Bevan Buckland LLP, will be proposed for reappointment at the forthcoming general meeting.

Approval
This report was approved by the trustees as members of the charitable company on 30 November 2022 and was signed on their behalf by

Martin Davies

Date 30 November 2022

Independent auditor's report to the members and trustees of Tŷ Hafan

We have audited the financial statements of Tŷ Hafan (the 'parent charitable company') and its subsidiaries ('the group') for the year ended 31 March 2022 which comprises the consolidated statement of financial activities, the Consolidated and Parent Charitable Company balance sheets, the Group statement of cash flows 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, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 March 2022 and of the group's profit 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 Republic of Ireland'
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information
The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

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 Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements and
- 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 group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

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

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

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

In preparing the financial statements, the trustees are responsible for assessing the group's and the parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern

basis of accounting unless the trustees either intend to liquidate the group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

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 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.

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:

Extent to which the audit was considered capable of detecting irregularities, including fraud
We identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, and then, design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

We discussed our audit independence complying with the Revised Ethical Standard 2019 with the engagement team members whilst planning the audit and continually monitored our independence throughout the process.

Identifying and assessing potential risks related to irregularities
In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

Enquiring of management, including obtaining and reviewing supporting documentation, concerning the Group's and parent charitable company's policies and procedures relating to:

- identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance
- detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud
- Internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations

Discussing among the engagement team how and where fraud might occur in the Financial Statements and any potential indicators of fraud. As part of this discussion, we identified potential for fraud in the following areas.

Obtaining an understanding of the legal and regulatory frameworks that the Group and Parent Charitable company operates in, focusing on those laws and regulations that had a direct effect on the Financial Statements or that had a fundamental effect on the operations of the Group and Parent Charitable Company, the key laws and regulations we considered in this context included the UK Companies Act and relevant tax legislation.

Audit response to risks identified
In addition to the above, our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations
- enquiring of management concerning actual and potential litigation and claims; performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud
- reading minutes of meetings of those charged with governance and reviewing correspondence with HMRC
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments
- assessing whether the judgements made in making accounting estimates are indicative of a potential bias
- evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the 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 company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Alison Vickers (Senior Statutory Auditor)
For and on behalf of Bevan Buckland LLP, Statutory Auditor
Ground Floor
Cardigan House
Castle Court
Swansea Enterprise Park
Swansea
SA7 9LA

Date: 30 November 2022

Tŷ Hafan
Consolidated Statement of Financial Activities
(Incorporating the Consolidated Income and Expenditure Account)
for the year ended 31 March 2022

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £	Total Funds 2021 £
Income from:					
Donations and Legacies	2	**3,880,571**	**421,461**	**4,302,032**	6,114,280
Charitable Activities					
- Provision of Care	3	**613,139**	-	**613,139**	529,164
Other Trading Activities	4	**3,571,190**	-	**3,571,190**	2,270,547
Investments and other income	5	**254,803**	-	**254,803**	243,079
Total income		**8,319,703**	**421,461**	**8,741,164**	9,157,070
Expenditure on:					
- Trading Activities	6	**2,842,034**	-	**2,842,034**	3,015,442
Total income net of trading expenditure		**5,477,669**	**421,461**	**5,899,130**	6,141,628
Expenditure on:					
- Raising Funds	6	**999,217**	-	**999,217**	922,501
- Investment Management	6	**59,548**	-	**59,548**	69,782
Net income available for Charitable Activities		**4,418,904**	**421,461**	**4,840,365**	5,149,345
Charitable Activities					
- Provision of Care	7	**4,808,895**	**214,338**	**5,023,233**	4,519,995
Total Expenditure		**8,709,694**	**214,338**	**8,924,032**	8,527,720
Net income before gains/(losses) on investments		**(389,991)**	**207,123**	**(182,868)**	629,350
Net gains/(losses) on investments		**612,293**	-	**612,293**	2,193,209
Net Income / (Expenditure)		**222,302**	**207,123**	**429,425**	2,822,559
Gross transfers between funds	22	**212,663**	**(212,663)**	-	-
Net movement in funds		434,965	(5,540)	429,425	2,822,559
Reconciliation of Funds					
Funds balances brought forward	22	**17,835,251**	**883,285**	**18,718,536**	15,895,977
Fund balances carried forward	22	**18,270,216**	**877,745**	**19,147,961**	18,718,536

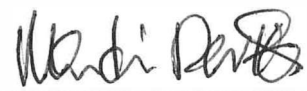
The consolidated statement of financial activities includes all gains and losses recognised in the year.
All incoming resources and resources expended derive from continuing activities.

Tŷ Hafan
Group and Charity Balance Sheet
At 31 March 2022

	Note	2022 £ Group	2022 £ Charity	2021 £ Group	2021 £ Charity
Fixed assets					
Tangible Assets	15	**6,050,979**	**6,050,979**	6,198,015	6,198,015
Investments	16	**12,837,993**	**12,847,994**	12,530,466	12,540,467
		18,888,972	**18,898,973**	18,728,481	18,738,482
Current assets					
Stock	17	**3,460**	-	16,302	-
Debtors	18	**840,541**	**1,167,132**	1,208,746	1,195,818
Cash at bank		**784,948**	**266,984**	249,541	152,973
		1,628,949	**1,434,116**	1,474,589	1,348,791
Current liabilities					
Creditors: Amounts falling due within one year	19	**(867,654)**	**(694,760)**	(869,171)	(765,552)
Net current assets		**761,295**	**739,356**	605,418	583,239
Provisions for liabilities and charges	20	**(502,306)**	**(502,306)**	(615,363)	(615,363)
Net Assets		**19,147,961**	**19,136,023**	18,718,536	18,706,358
Funds					
Restricted	22	**877,745**	**877,745**	883,285	883,285
Unrestricted	22	**18,270,216**	**18,258,278**	17,835,251	17,823,073
		19,147,961	**19,136,023**	18,718,536	18,706,358

The financial statements were approved by the Board of Directors on

30 November 2022 and were signed on its behalf by:



Martin Davies - Trustee and Chair of the Board

Registered Company Number: 3077406

Tŷ Hafan
Group Statement of Cash Flows
for the year ended 31 March 2022

	Note	2022 £	2021 £
Net cash provided by (used in) operating activities	24	**621,244**	315,385
Cash flows from investing activities:			
Deposit Interest received	5	**25**	53
Payments to acquire tangible fixed assets	15	**(645,410)**	(1,004,356)
Investment portfolio management fees	6	**59,548**	69,782
Transfer of cash held from investments		**500,000**	500,000
Net cash provided by (used in) investing activities		**(85,837)**	(434,521)
Change in cash and cash equivalents in the reporting period		**535,407**	**(119,136)**
Cash and cash equivalents at the beginning of the year		**249,541**	368,677
Cash and cash equivalents at the end of the year		**784,948**	**249,541**

Analysis of cash and cash equivalents	**31 March 2022**	**31 March 2021**
	£	**£**
Cash at bank and in hand	**784,948**	249,541
Total cash and cash equivalents	**784,948**	249,541

Analysis of changes in net debt	**31 March 2021**	**Cash flow**	**31 March 2022**
	£	**£**	**£**
Cash	249,541	535,407	**784,948**
Total	249,541	535,407	**784,948**

1. ACCOUNTING POLICIES

Basis of preparation

The financial statements of the Charitable Company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention or transaction value unless otherwise stated in the relevant accounting policy note(s).

The Charitable Company's functional and presentational currency is the pound sterling (£), and balances are rounded to the nearest £1.

Preparation of the accounts on a going concern basis

At the time of approving the accounts, the Trustees have a reasonable expectation that the Charity, and the Group, have adequate resources to continue in operational existence for the foreseeable future. The Trustees have reviewed the reserves policy which supports the long-term business plan of the Charity. Thus, the trustees continue to adopt the going concern basis of accounting in preparing the accounts.

Basis of consolidation

The group financial statements consolidate those of Tŷ Hafan and its subsidiary undertakings, Tŷ Hafan Trading Limited and Crackerjackpot Limited (see note 16), made up to 31 March 2022, on a line by line basis.

The consolidated entity is known as the 'Group'. Accounting policies specific to the Charitable Company or group in total are laid out below.

No separate company Statement of Financial Activities (SOFA) has been prepared for the Charitable Company as permitted by Section 408 of the Companies Act 2006.

Incoming resources

Income is recognised when the Charitable Company has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measure reliably. It is derived from the activities outlined below.

Donations and similar incoming resources are recognised when they are received. Where refundable income is received in respect of a specified event or project, the income is deferred until completion of that event or project.

Pecuniary and residuary legacies are recognised on a case by case basis following the granting of probate and when the administrator/executor for the estate has communicated in writing the amount and of the legacy. In the event that the legacy is in the form of an asset other than cash or a financial asset traded on a recognised stock exchange, recognition is subject to the value for the legacy being reliably measurable

with a degree of reasonable accuracy and the title to the asset being transferred to the Charitable Company. Reversionary legacies are not recognised during the lifetime of the original beneficiary under the will. An estimate of the total number and value of all open legacy cases which do not meet the above conditions, but to which the Charitable Company may be entitled is disclosed within the notes to the accounts.

Donated goods capitalised as tangible fixed assets are included as 'Income from Donations and Legacies' at their market value at the time of receipt.

Gift Aid receivable is included in income when there is a valid declaration from the donor.

Grants (including government grants) which are received to fund specific purposes are recognised as restricted incoming resources in the year in which the Charitable Company is entitled to the funds. Revenue grants are credited as incoming resources when they are receivable, provided conditions for receipt have been complied with.

During the year the following COVID-19 government support was received (as per note 2):

	2022	2021
	£	£
Job Retention Scheme	**16,194**	710,256
Hospice Emergency Funding	**918,596**	1,584,869
Retail Business Grants	**-**	737,500
	934,790	3,032,625

There are no unfulfilled conditions attached to the above grants received

Fees receivable from Welsh Local Health Boards in respect of respite care are recognised on receipt.

The value of the goods donated for sale in the shops operated by the Charitable Company is recognised at the point of sale unless it is practicable for the goods to be measured at fair value on receipt. For these items the value is recognised as stock on the balance sheet and the released to the income statement when the item is sold.

The income for the weekly membership lottery is recognised when it is received except for money received in advance of the draw to which it relates, which is treated as deferred income.

Investment income comprises bank deposit interest and dividends and interest arising from discretionary investment activities. Investment income arising from discretionary investment activities is re-invested by the Investment Managers.

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 headings:

- Costs of raising funds; includes the direct costs of operating the Charitable Company's shops, membership lottery and appeals office together with an apportionment of head office costs to reflect the support provided to the fundraising operations. The direct costs of operating the Charitable Company's shops do not include any valuation of donated goods sold.

- Costs of charitable activities; includes the direct costs of operating care services together with an apportionment of head office costs to reflect the support provided to these activities.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

Allocation of support and governance costs
Support costs are those functions that assist the work of the Charitable Company but do not directly undertake charitable activities. Support costs have been allocated between governance costs and other support costs. Governance costs comprise all costs involving the public accountability of the Charitable Company and its compliance with regulation and good practice. These costs include costs related to statutory audit and legal fees together with an apportionment of overhead and support costs.

The bases on which support costs have been allocated are set out in note 8.

Taxation
The charitable members of the group are exempt from income and corporation taxes on income and gains to the extent that they are applied for their charitable objects. The trading subsidiaries do not generally pay UK Corporation Tax because their policy is to pay taxable profits to the Charitable Company as gift aid.

Tangible fixed assets
All tangible fixed assets are included at cost less accumulated depreciation. Items of a capital nature costing less than £1,000 are not capitalised. There are no heritage assets.

At present there are no circumstances existing to suggest that an impairment review of the carrying value of fixed assets is required. This position is reviewed on an annual basis. Any impairment is recognised in the year in which it occurs.

Depreciation
Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Hospice development and equipment	5%, 10% and 20% on cost
Freehold Land & Building	2% on cost
Shops and office equipment	20% on cost
Computer equipment	33% on cost
Fixtures and fittings	20% on cost
Motor Vehicles	25% reducing balance

Assets under construction are carried at cost and are not depreciated until they come into use.

Investments
Assets held for investment purposes are valued at fair value (their market value) at the balance sheet date, except for investments in trading subsidiaries, which are held at cost, as the trustees believe that the market value of the trading subsidiary is not materially different to its cost.

Realised gains and losses on investments are calculated as the difference between sales proceeds of these investments and their market value at the start of the year, or their subsequent costs, and are charged or credited to the statement of the financial activities in the period of disposal.

Unrealised gains and losses represent the movement in market values during the year and are credited or charged to the statement of financial activities based on the market value at the year-end.

Investments in Subsidiaries
Investment in subsidiary entities are held at cost less impairment.

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

Stocks
Stocks represent purchased stock items only and are stated at the lower of cost and estimated net realisable value. Where necessary, provision is made for obsolete, slow moving and defective stocks. Stock does not include goods donated for sale in the Group's charity shops unless it is practicable for the goods to be measured at fair value on receipt.

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

Creditors and provisions
Creditors and provisions are recognised where the Charitable Company 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.

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

Fund accounting policy
Unrestricted funds are those which are available for use at the discretion of the Board of Directors in furtherance of the general objectives of the Charitable Company and which have not been designated for other purposes.

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

Designated funds are unrestricted funds of the Charitable Company, which the trustees have decided at their discretion to set aside to use for a specific purpose.

Operating lease agreements
Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the statement of financial activities on a straight-line basis over the period of the lease.

Pension costs
Contributions in respect of defined contribution pension schemes are charged to the statement of financial activities in the period in which they are payable.

The Charitable Company also participates in the NHS Pension Scheme, a defined benefit pension scheme, but it is unable to identify its share of the underlying assets and liabilities. The pension costs charged against net incoming resources are the contributions payable to the scheme in respect of the accounting period.

Critical accounting estimates and assumptions
The Charitable Company makes estimates and assumptions concerning the future. The resulting accounting estimates will by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next year are addressed below:

(I) Useful economic lives of tangible assets
The annual depreciation charge for tangible assets is sensitive to changes in the estimate useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimate, based on technological advancement, future investments, economic utilisation and the physical condition of the assets, see note 15 for the carrying amount of each class of asset held, and above for the useful economic lives for each class of assets.

(II) Impairment of debtors
The Charitable Company makes estimates of the recoverable value of debtors. When assessing the impairment of debtors, management consider factors including the current credit rating of the debtor, the ageing profile of debtors and historic experience. See note 18 for the net carrying amount of debtors and associated impairment provision.

(III) Provisions
Provision is made for the dilapidation on leasehold premises. These provisions require management's best estimate of the costs that will be incurred based on legislative and contractual requirements. (See note 20).

(IV) Income recognition of legacies
Residuary legacies have been recognised using a case by case basis when the amount receivable can be measured accurately following written confirmation from the estate

executor/administrator. Management have accrued for a percentage of the legacy pipeline which is consistent with experience over the last four years.

2. INCOME FROM DONATIONS AND LEGACIES

	Unrestricted Funds	Restricted Funds	Total Funds 2022	Total Funds 2021
	£	£	£	£
Donations, appeals and similar income	**1,434,885**	**421,461**	**1,856,346**	1,949,491
Legacies	**1,510,896**	-	**1,510,896**	1,132,164
Covid Funding	**934,790**	-	**934,790**	3,032,625
	3,880,571	**421,461**	**4,302,032**	6,114,280

In accordance with the Charities SORP (FRS102) the Charitable Company accounts for legacies as receivable when conditions for entitlement have been met; and receipt of the income can be measured accurately. An external notification service is used to notify the Charitable Company of bequests and a system of monitoring ensures that the legacy is tracked until receipt.

At the year-end the Charitable Company had 47 (2021: 36) open legacy cases which had not met all of the above conditions. Should indicative amounts be received in respect of these legacies the Charity could benefit from a further £969,599 (2021 £561169) in the future. In applying the requirements of the Charities SORP (FRS 102) in measuring income when it can be accurately measured, an accrual of £82,619 (2021: £15,300) has been included in the accounts for legacy bequests.

3. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted Funds	Restricted Funds	Total Funds 2022	Total Funds 2021
	£	£	£	£
Local Health Authorities	**565,984**	-	**565,984**	486,176
Training	-	-	-	-
Public Funding	**47,155**	-	**47,155**	42,988
	613,139	-	**613,139**	529,164

4. INCOME FROM OTHER TRADING ACTIVITIES

	Unrestricted Funds	Restricted Funds	Total Funds 2022	Total Funds 2021
	£	£	£	£
Retail activities	**1,808,629**	-	**1,808,629**	612,881
Membership lottery	**1,762,561**	-	**1,762,561**	1,657,666
	3,571,190	-	**3,571,190**	2,270,547

5. INVESTMENT AND OTHER INCOME

	Unrestricted Funds	Restricted Funds	Total Funds 2022	Total Funds 2021
	£	£	£	£
Listed investment Income	**254,778**	-	**254,778**	243,026
Interest Received	**25**	-	**25**	53
	254,803	-	**254,803**	243,079

6. EXPENDITURE ON RAISING FUNDS

	Unrestricted	Restricted	Total 2022	Total 2021
	£	£	£	£
Donations, appeals, legacies and similar income	**999,217**	-	**999,217**	922,501
Membership Lottery	**992,153**	-	**992,153**	1,009,442
Investment Management Costs	**59,548**	-	**59,548**	69,782
Retail Expenditure	**1,849,881**	-	**1,849,881**	2,006,000
	3,900,799	-	**3,900,799**	4,007,725

7. EXPENDITURE ON CHARITABLE ACTIVITES

	Unrestricted	Restricted	Total 2022	Total 2021
	£	£	£	£
Provision of Care:				
Direct Costs	**3,694,230**	**214,338**	**3,908,568**	3,574,747
Support Costs (see note 8)	**1,114,665**	-	**1,114,665**	945,248
	4,808,895	**214,338**	**5,023,233**	4,519,995

8. SUPPORT COSTS

Cost Categories	Charitable Activities	Donations & Legacies	Membership Lottery	Retail	Total 2022	Basis
	£	£	£	£	£	
Management	**191,730**	**49,438**	**38,151**	**69,251**	**348,570**	Average Head Count
Finance	**282,379**	**77,187**	**53,128**	**111,527**	**524,221**	Average Head Count
Governance (note 9)	**115,929**	-	-	-	**115,929**	Time Spent
IT	**131,793**	**36,234**	**24,650**	**52,507**	**245,184**	Average Head Count
Human Resources	**220,220**	**60,167**	**41,454**	**86,912**	**408,753**	Average Head Count
PR & Marketing	**172,614**	**47,792**	**32,050**	**69,502**	**321,958**	Time Spent
	1,114,665	**270,818**	**189,433**	**389,699**	**1,964,615**	

All costs are attributed by activity on the basis of head count or time spent on each activity. As the Charitable Company has only one charitable activity all support costs are allocated to this activity.

9. GOVERNANCE COSTS

Analysed as:	Unrestricted	Restricted	Total 2022	Total 2021
	£	£	£	£
Salary costs	**100,854**	-	**100,854**	94,629
Audit fees	**10,673**	-	**10,673**	11,040
Accounting services	**8,402**	-	**8,402**	4,259
Legal and professional	**63**	-	**63**	176
Trustee's expenses	**80**	-	**80**	6
	120,072	-	**120,072**	110,110

10. NET INCOME

The net surplus / (deficit) is stated after charging:

	2022	2021
	£	£
Operating leases	359,533	398,172
Fees payable to the Charitable Company's auditor for the audit of the group	10,673	11,040
Depreciation of owned assets	736,718	345,361

11. TRUSTEES' REMUNERATION AND BENEFITS

	2022	2021
	£	£
Trustees Expenses	80	6

During the year, 1 (2021:1) Trustee was reimbursed for miscellaneous expenses.

12. EMPLOYEES' REMUNERATION

a) Staff costs
Staff costs during the year were:

	2022	2021
	£	£
Wages and salaries	**5,079,928**	4,877,397
Social security costs	**427,659**	400,307
Pension costs	**329,649**	311,000
Redundancy and Termination Costs	**17,311**	63,448
	5,854,547	5,652,152

The key management personnel of the Charitable Company are the Chief Executive Officer, the Director of Care, the Director of Finance, the Director of Income Generation, the Director of People Services and the Director of Marketing Communications and Lottery. The employee benefits of key management personnel for the year totalled £444,100 (2021: £366,929). During the year there have been no ex-gratia payments to staff.

b) Staff numbers – average head count

	2022	2021
	No.	No.
Care Staff	**92**	92
Donations & Legacies	**26**	27
Retail Staff	**51**	55
Lottery staff	**14**	17
Central services	**22**	22
	205	213

c) Higher paid staff

The number of employees whose gross emoluments fall within each band of £10,000 from £60,000 upwards are as follows:

	2022	2021
	No.	No.
£60,001 to £70,000	**1**	1
£70,001 to £80,000	**1**	**2**
£80,001 to £90,000	**-**	-
£90,001 to £100,000	**1**	-
£100,001 to £110,001	**-**	-

The Charitable Company also made pension contributions on behalf of the above employees totalling £35,548 (2021: £27,519) which have not been included within the banding categories above.

TAXATION

As a registered charity, Tŷ Hafan is entitled to the exemptions from taxation in respect of income and capital gains received within Sections 478 - 489 of the Corporation Tax Act 2010 and section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that these are applied to its charitable objects purposes only.

The trading subsidiary, Tŷ Hafan Trading Limited, has utilised previous taxation losses against taxable profit for the year and hence there are no amounts chargeable to corporation tax.

The trading subsidiary, Crackerjackpot Limited, has gifted taxable profits arising during the year to its charitable parent Tŷ Hafan Limited and hence there are no amounts chargeable to corporation tax.

As a consequence of the above, no tax charges have arisen in the group.

13. CHARITABLE COMPANY RESULTS

The Charitable Company has taken advantage of Section 408 of the Companies Act 2006 and has not included its own income and expenditure account in these financial statements. The results of Tŷ Hafan (the Charitable Company) are summarised below:

	2022	2021
	£	£
Total incoming resources	**7,892,103**	8,285,776
Total resources expended	**(8,074,731)**	(7,642,451)
Net incoming resources	**(182,628)**	643,325
Net unrealised investment gain/(loss)	**612,293**	2,193,209
Net movement in funds	**429,665**	2,836,534
Funds:		
As 1 April 2021	**18,706,358**	15,869,824
At 31 March 2022	**19,136,023**	18,706,358

The above results include £852,567 (2021: £820,380) in gift aid donations received by the Charitable Company from its trading subsidiary Crackerjackpot Limited.

14. TANGIBLE FIXED ASSETS

Group and Charity

	Freehold Land and Buildings	Fixtures and Fittings	Equipment	Motor vehicles	**Total**
	£	£	£	£	£
Cost					
At 1 April 2021	7,917,606	1,209,995	564,324	106,898	**9,798,823**
Additions	592,680	(8,598)	61,328	-	**645,410**
Revaluations	-	-	-	-	-
Disposals	(123,277)	-	-	-	**(123,277)**
At 31 March 2022	8,387,009	1,201,397	625,652	106,898	**10,320,956**
Depreciation					
At 1 April 2021	2,078,578	1,065,034	367,852	89,344	**3,600,808**
Charge for the year	612,929	4,387	112,204	7,198	**736,718**
Revaluations	-	-	-	-	-
Disposals	(67,549)	-	-	-	**(67,549)**
At 31 March 2022	2,623,958	1,069,421	480,056	96,542	**4,269,977**
Net Book Value					
At 31 March 2022	**5,763,051**	**131,976**	**145,596**	**10,356**	**6,050,979**
At 31 March 2021	**5,839,028**	**144,961**	**196,472**	**17,554**	**6,198,015**

15. FIXED ASSET INVESTMENTS

Total fixed asset investments comprise:

	2022		2021	
	Group	**Charity**	Group	Charity
	£	£	£	£
Interests in subsidiary undertakings	-	**10,001**	-	10,001
Market value of other fixed asset investments	**12,837,993**	**12,837,993**	12,530,466	12,530,466
	12,837,993	**12,847,994**	12,530,466	12,540,467

FIXED ASSET INVESTMENTS (CONTINUED)

Interests in group undertakings

At 31 March 2022, the Charitable Company held 100% of the allotted ordinary share capital of the following subsidiaries:

	Country of Incorporation	Class of Share Capital Held	Company Number	Nature of Business	Capital and Reserves £	Result for the Financial Year £
Tŷ Hafan Trading Limited	England & Wales	Ordinary shares	05129825	Trading Merchandise	11,939	(243)
Crackerjackpot Limited	England & Wales	Ordinary shares	08221671	Lottery Operations	10,000	-

Other fixed asset investments were held as follows:

	2022 Group and Charity £	2021 Group and Charity £
Listed Investments		
Market value at 1 April	**12,530,466**	10,664,014
Additions	**3,500,777**	9,462,878
Disposals	**(4,001,036)**	(9,823,889)
Cash movement	**195,493**	34,254
Revaluation	**612,293**	2,193,209
Market value at 31 March	**12,837,993**	12,530,466
Cash included in total	**876,307**	680,814
Historical cost	**11,685,893**	11,554,921

The market value at 31 March 2022 comprises a sum of £12,754,664 managed by Brewin Dolphin (2021: £12,459,404). Also included in the market value are £83,329 (2021: £71,062) of shares which were bequeathed to the Charity taking the investment portfolio to £12,837,993 at the balance sheet date.

Income generated totalling £254,778 (2021: £243,026) was invested after deduction of management charges of £59,548 (2021: £69,782). The investments are unrestricted. During the year there were £500,000 (2021: £500,000) withdrawals from the investment portfolio to fund capital and other programme expenditure. The portfolio includes £6,244,176 (2021: £6,630,922) invested in UK investments and £6,593,817 (2021: £5,899,544) invested in overseas investments.

16. STOCKS

	2022		2021	
	Group	**Charity**	Group	Charity
	£	**£**	£	£
Retail goods held for sale	**3,460**	**-**	16,302	-

17. DEBTORS

	2022		2021	
	Group	**Charity**	Group	Charity
	£	**£**	£	£
Trade Debtors	**379,577**	**379,577**	755,495	755,495
Prepayments and accrued income	**410,001**	**403,577**	364,646	347,598
Due from subsidiary undertakings	**-**	**333,015**	-	4,120
Employee benefit schemes	**23**	**23**	377	377
VAT recoverable	**50,940**	**50,940**	88,228	88,228
	840,541	**1,167,132**	1,208,746	1,195,818

Debtors are stated after provisions for impairment of £Nil (2021: £Nil).

18. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022		2021	
	Group	**Charity**	Group	Charity
	£	**£**	**£**	£
Trade creditors	**192,184**	**190,379**	219,125	211,203
Owed to subsidiary undertakings	**-**	**8,480**	-	81,282
Social security and other taxes	**154,665**	**142,550**	140,907	131,900
Accruals	**193,832**	**183,660**	204,570	192,890
Deferred income	**326,973**	**169,692**	304,569	148,277
	867,654	**694,760**	869,171	765,552

CREDITORS: DEFERRED INCOME

Deferred income consists of income received in respect of future draws of the group's weekly membership lottery, and grants to be utilised in future periods.

	2022		2021	
	Group	**Charity**	Group	Charity
	£	**£**	**£**	£
As at 1 April	**304,569**	**148,277**	267,511	101,276
Amounts released to incoming resources	**(269,078)**	**(112,786)**	(166,235)	-
Amounts deferred in the year	**291,482**	**134,201**	203,293	47,001
As at 31 March	**326,973**	**169,692**	**304,569**	**148,277**

19. PROVISIONS FOR LIABILITIES AND CHARGES

	2022		2021	
	Group	**Charity**	Group	Charity
	£	**£**	£	£
As at 1 April	**615,363**	**615,363**	678,625	678,625
Additions	**15,484**	**15,484**	120,977	120,977
Charged during the year	**(128,541)**	**(128,541)**	(184,239)	(184,239)
As at 31 March	**502,306**	**502,306**	615,363	615,363

The nature of the Charitable Company's activities requires it to enter into lease agreements for various items of equipment, property and vehicles.

The provision relates to management's best estimate of costs in respect of such items beyond fair wear and tear for which the Charitable Company is liable under the terms of each agreement.

20. PENSION SCHEMES

The Charitable Company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the Charitable Company to the scheme and amounted to £242,229 (2021: £232,863).

There were no outstanding or prepaid contributions at either the beginning or end of the financial year.

The Charitable Company also contributes to the NHS Pension scheme, whose fund is held independently of the Charitable Company. The scheme is an unfunded defined benefit scheme, but the Charitable Company is unable to identify its share of the underlying assets and liabilities.

Employer contribution rates are reviewed every four years following a scheme valuation carried out by the government actuary. On the advice of actuary, the contributions may be varied from time to time to reflect changes in the scheme`s liabilities.

The last formal actuarial valuation undertaken for the NHS Pension Scheme was completed as at 31 March 2016 (published in February 2019). The primary purpose of the formal actuarial valuations is to set employer and employee contribution rates from April 2019. The Department of Health and Social Care have recently laid Scheme Regulations confirming that the employer contribution rate will increase to 20.6% of pensionable, pay from this date.

Completion of the 2020 valuation is expected from HMT in summer 2021, and the results of the 2020 valuation and the employer cost cap will be reported in the 2021/22 NHS Pension Scheme accounts.

The contributions to this NHS scheme in the year were £94,311 (2021: £85,976)

The Charitable Company has made no employer contributions into employee personal pension schemes.

21. MOVEMENT IN FUNDS – GROUP

	Balance at 1 Apr 2021	Incoming resources	Outgoing resources	Transfers	Unrealised gain on Investments	Balance at 31 Mar 2022
	£	£	£	£	£	£
Unrestricted funds						
General funds	9,898,183	8,319,703	(8,715,912)	675,522	612,293	**10,789,789**
Designated Funds						
Care in Community	32,220	-	7,793	-	-	**40,013**
Fixed Assets	5,395,991	-	-	(52,859)	-	**5,343,132**
Planned Deficits	2,136,000	-	-	(910,000)	-	**1,226,000**
Major Capital Projects	-	-	-	500,000	-	**500,000**
Hospice Staff Costs	125,000	-	-	-	-	**125,000**
Transition	247,857	-	(1,575)	-	-	**246,282**
	7,937,068	-	6,218	(462,859)	-	**7,480,427**
Restricted funds						
Building	443,037	168,797	(15,000)	(8,117)	-	**588,717**
Hospice Equipment	38,945	12,135	(11,593)	-	-	**39,487**
Staff Costs	187,867	149,469	(153,743)	-	-	**183,593**
Hospice Service Users	12,221	52,940	(34,002)	-	-	**31,159**
Hospice Refurbishment Appeal	163,154	36,620	-	(199,774)	-	-
Hospice IT	-			-	-	-
Garden Works Project	38,061	1,500		(4,772)	-	**34,789**
Care in Community	-			-	-	-
	883,285	421,461	(214,338)	(212,663)	-	**877,745**
	18,718,536	8,741,164	(8,924,032)	-	612,293	**19,147,961**

Included within the above general funds are funds of the subsidiaries amounts to £11,939 (2021: £12,182) all of which are unrestricted.

MOVEMENT IN FUNDS – GROUP (CONTINUED)

General Funds:

General funds are available for use at the trustees' discretion in furtherance of the objectives of the Charitable Company. Included in general funds is the revaluation gain of investments to market value of £612,293 (2021: revaluation gain of £2,193,209).

Fund Transfers:

During the year £212,663 was transferred from restricted funds to unrestricted funds. The Hospice Refurbishment restricted funds are restricted in nature as the funds are for use specifically for the refurbishment project. Once the monies are spent, and all conditions met, the donations/grants are held for a general and not a restricted purpose. During the year £199,774 has been transferred to unrestricted funds following the satisfaction of all conditions surrounding the spend.

Restricted Funds:

The Big Lottery provided funds towards an extension to the hospice in 2015 and equipment. This fund is charged with the depreciation arising thereon.

Welsh Government provided funding towards the purchase of the hospice freehold land. This land was purchased in 2010 and has been capitalised in the financial statements.

During the year we were also kindly donated funds towards the refurbishment of the hospice, staffing for play and music therapy and towards solar panels for the hospice.

Designated Funds:

Included in the Unrestricted Funds are 3 donations received that have been designated for specific future expenditure, a total of £125,000 has been ring fenced for hospice staff costs, £40,013 for providing care in the community and a legacy donation of £246,282 which will be spent on resources to help the transition between child and adult services. There is also an allowance for the funds invested in the hospice and office building of £5,343,132, a provision of £1,226,000 to cover planned deficits for the 2022/23 financial year and a £500,000 provision for major capital projects where grant funding is not available.

22. ANALYSIS OF NET ASSETS BETWEEN FUNDS

GROUP

As at 31 March 2022	Fixed assets £	Investments £	Net current assets £	Provision £	Total £
Unrestricted funds	5,462,262	12,548,965	761,295	(502,306)	**18,270,216**
Restricted funds	588,717	289,028	-	-	**877,745**
Total funds	**6,050,979**	**12,837,993**	**761,295**	**(502,306)**	**19,147,961**

As at 31 March 2021	Fixed assets £	Investments £	Net current assets £	Provision £	Total £
Unrestricted funds	5,754,978	12,090,218	605,418	(615,363)	**17,835,251**
Restricted funds	443,037	440,248	-	-	**883,285**
Total funds	**6,198,015**	**12,530,466**	**605,418**	**(615,363)**	**18,718,536**

23. RECONCILIATION OF INCOME/(EXPENDITURE) TO NET CASH FLOWS FROM OPERATING ACTIVITIES

	Note	**2022** £	2021 £
Surplus / (Deficit) of income over expenditure		**429,425**	2,822,559
(Gains) / Losses on investments	16	**(612,293)**	(2,193,209)
Net investment income and bank interest payable	5	**(254,803)**	(243,079)
Depreciation	15	**736,718**	345,361
Disposals / Revaluation Movement	15	**55,728**	249,926
Decrease in stock	17	**12,842**	16,714
Decrease / (Increase) in debtors	18	**368,205**	(553,268)
Decrease in creditors	19	**(1,521)**	(66,357)
Movement in provision for liabilities and charges	20	**(113,057)**	(63,262)
Net cash outflow from operating activities		**621,244**	315,385

24. CAPITAL COMMITMENTS

As at 31 March 2022, the Charity had capital commitments totalling £0 (2021: £313,790).

25. OPERATING LEASE COMMITMENTS

As at 31 March 2022, the group had annual commitments under non-cancellable operating lease arrangement as follows:

	2022		2021	
	Group £	Company £	Group £	Company £
Land and Buildings				
Leases expiring within one year	193,800	193,800	243,341	243,341
Leases expiring within 2 to 5 years	214,792	214,792	336,258	336,258
Leases expiring within greater than 5 years	0	0	0	0
	408,592	408,592	579,599	579,599
Other Operating				
Leases expiring within one year	10,633	10,633	12,216	12,216
Leases expiring within 2 to 5 years	10,295	10,295	4,430	4,430
Leases expiring within greater than 5 years	0	0	0	0
	20,928	20,928	16,646	16,646

26. LEGAL CHARGE

The Charitable Company has entered into a covenant with the New Opportunities Fund to discharge all monies and liabilities which shall from time to time be due as set out in the grant contract. As part of the agreement to award the Charitable Company a grant to fund the building of the new Hospice extension as continuing security for the payment and discharge of the liabilities, the New Opportunities Fund have been granted a first legal mortgage over the land and premises at Sully, Penarth, which has a net book value of £5,763,051 (2021: £5,839,028), and the Charitable Company assigns to the fund by way of first fixed equitable charge each and all of the insurance and all future easements and other rights at any time vested in or conferred on the Charitable Company in connection with or otherwise for the benefit of the property.

27. CONTINGENT LIABILITY

Sale of Land
As part of the agreement to purchase the freehold of the land on which the hospice is built an overage agreement applies to future development which is payable to the previous freeholder. The restriction is in place until 2035. It is not possible at this time to quantify any contingent liability arising.

28. MEMBERS' LIABILITY

The Charitable Company is a private company limited by guarantee and consequently has no share capital. Each of the members is liable to contribute an amount not exceeding £1 towards the assets of the Charitable Company in event of liquidation.

29. RELATED PARTY DISCLOSURES

The Charitable Company is exempt from disclosing transactions with its subsidiaries under the provisions of FRS 102, as the subsidiaries are 100% controlled by the Charitable Company.

30. INDEMNITY INSURANCE

The group has taken out Charity and Charity Trustees Indemnity Insurance at a cost of £499 (2021: £498).

31. PRIOR YEAR STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted Funds	Restricted Funds	Total Funds 2021
	£	£	£
Income from:			
Donations and Legacies	**5,682,000**	**432,280**	**6,114,280**
Charitable Activities			
- Provision of Care	**529,164**	-	**529,164**
Other Trading Activities	**2,270,547**	-	**2,270,547**
Investments and other income	**243,079**	-	**243,079**
Total income	**8,724,790**	**432,280**	**9,157,070**
Expenditure on:			
- Trading Activities	**3,015,442**	-	**3,015,442**
Total income net of trading expenditure	**5,709,348**	**432,280**	**6,141,628**
Expenditure on:			
- Raising Funds	**922,501**	-	**922,501**
- Investment Management	**69,782**	-	**69,782**
Net income available for Charitable Activities	**4,717,065**	**432,280**	**5,149,345**
Charitable Activities			
- Provision of Care	**4,453,152**	**66,843**	**4,519,995**
Total Expenditure	**8,460,877**	**66,843**	**8,527,720**
Net income before gains/(losses) on investments	**263,913**	**365,437**	**629,350**
Net gains/(losses) on investments	**2,193,209**	-	**2,193,209**
Net Income / (Expenditure)	**2,457,122**	**365,437**	**2,822,559**
Gross transfers between funds	**597,765**	**(597,765)**	-
Net movement in funds	3,054,887	(232,328)	2,822,559
Reconciliation of Funds			
Funds balances brought forward	**14,780,364**	**1,115,613**	**15,895,977**
Fund balances carried forward	**17,835,251**	**883,285**	**18,718,536**

32. PRIOR YEAR MOVEMENT IN FUNDS – GROUP

	Balance at 1 Apr 2020 £	Incoming resources £	Outgoing resources £	Transfers £	Unrealised gain on Investments £	Balance at 31 Mar 2021 £
Unrestricted funds						
General funds	9,760,950	8,724,790	(8,440,270)	(2,340,496)	2,193,209	**9,898,183**
Designated Funds						
Care in Community	52,827	-	(20,607)	-	-	**32,220**
Fixed Assets	4,593,730	-	-	802,261	-	**5,395,991**
Planned Deficits	-	-	-	2,136,000	-	**2,136,000**
Hospice Staff Costs	125,000	-	-	-	-	**125,000**
Transition	247,857	-	-	-	-	**247,857**
	5,019,414	-	(20,607)	2,938,261	-	**7,937,068**
Restricted funds						
Building	436,154	15,000	-	(8,117)	-	**443,037**
Hospice Equipment	31,500	8,465	(1,020)	-	-	**38,945**
Hospice Staff Costs	167,056	47,351	(26,540)	-	-	**187,867**
Hospice Service Users	40	35,354	(23,173)	-	-	**12,221**
Hospice Refurbishment	427,692	325,110	-	(589,648)	-	**163,154**
Garden Works Project	38,061	1,000	(1,000)	-	-	**38,061**
Care in Community	15,110	-	(15,110)	-	-	-
	1,115,613	432,280	(66,843)	(597,765)	-	**883,285**
	15,895,977	9,157,070	(8,527,720)	-	2,193,209	**18,718,536**

Included within the above general funds are funds of the subsidiaries amounts to £12,182 (2020: £26,158) all of which are unrestricted.

TY HAFAN

England & Wales - Charity number 1047912

Accounts

[redacted]

Annual report and financial statements
For the year ended 31 March 2021

Bevan Buckland LLP



Tŷ Hafan – the hospice for children in Wales
www.tyhafan.org
Registered Charity No. 1047912
Company No. 3077406

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Bevan Buckland LLP

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The trustees confirm that their annual report and the accounts of the Charity and its subsidiaries for the year ending 31 March 2021, have been prepared in accordance with:

- the Companies Act 2006
- the Charities Act 2011
- Tŷ Hafan's Articles of Association
- the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102).

While the pandemic created challenges across society, the impact on children with life-limiting conditions and their families in Wales was extreme. Already facing unimaginable difficulties in daily life, COVID-19 conditions required them to maintain shielding across the entire year. In response, Tŷ Hafan needed to adapt and innovate our services to ensure that we could continue to provide support for children and families in the ways that they needed us. We did so by the introduction of a virtual community hospice model designed to reach our families in their homes, allowing families across Wales to receive expert support and care from familiar faces at the time when it was needed most.

I am proud to say that the hospice remained open throughout the year. Families requiring emergency admissions, offering end of life care and post death transfers from hospitals were served by our dedicated care services team, who rose to the challenge of working under full PPE conditions in accordance with Welsh Government and Public Health Wales guidance.

This level of resilience was present across the organisation with our fundraising and support teams maintaining focus on our key relationship with our supporters.

Tŷ Hafan relies on the continued support of the public with their generous donations to deliver our vision and mission, and this was unwavering during the year. We saw huge support for our fundraising appeals, continued participation in our lottery, donation from major donors and business partners, and much more besides. The continued generosity of the Welsh public during a period of unprecedented anxiety and uncertainty is both humbling and heart-warming.

Martin Davies
Chairman of the Board

In a year that saw the world catapulted into the grips of a global pandemic, with unprecedented disruption to both personal and professional lives, I am proud to report that Tŷ Hafan's determination to be there for the children and families who needed us became ever more resolute. Our response was to collaborate, to become more agile and to adapt and innovate to meet the myriad of new challenges that seemed to unfold by the day.

At the start of the financial year 2020/21, across the Charity, over half of our 203 staff were on furlough, and all of our near 500 volunteers had to step away. Colleagues showed remarkable resilience in the face of this challenge, whether on front-line or in the back-office, with those who continued to work taking on a range of responsibilities to enable us to continue to be there. Having joined the Charity in May, and working remotely, the imminent challenge for myself and the executive team was to ensure we could continue to operate safely, adapting both services and ways of working to ensure continuity and support for the children and families who describe us as their 'lifeline'. The prevalence of the virus, and the related restrictions, impacted every aspect of the Charity – our care provision, our service users and service providers, our staff and volunteers, and, importantly our finances, as inevitably our income generation activities were severely curtailed.

As the children who access our services are amongst the most vulnerable members of society requiring them to 'shield' throughout the various lockdowns, remaining COVID-secure was our ultimate priority so that we could keep our doors open for those children and families who needed crisis or end-of-life care. Our care team implemented close adherence to public health guidance, including wearing the highest levels of PPE, and I am incredibly proud that we were able to keep our doors open throughout the pandemic, with no outbreaks of COVID-19 relating to our service provision; this notwithstanding the ongoing major refurbishment of our hospice. Our community and partnerships team adapted to provide virtual services, ensuring that families did not feel isolated and that they were appropriately supported during this most challenging of times. Despite our initial trepidation (and the usual technical 'glitches'), we discovered some positives which we will embrace going forward. For example, we delivered our annual memorial event virtually, enabling many more families to participate, and our online therapeutic interventions enabled us to reach more children who were geographically distant to the hospice. Where possible we embraced remote working so as not to miss a beat.

Inevitably, finances were severely impacted, requiring us to release reserves to fund day-to-day operations as key sources of income were curtailed. Typically receiving less than 5% of our funds from Welsh Government, we were pleased to be the beneficiaries of government hospice grant funding, and job retention ('furlough') schemes. Our retail shops remained closed for over half of the financial year, and our events schedule for 2020/21 was cancelled in its entirety resulting in the very difficult decision to restructure our events team. Opportunities for promoting lottery and collecting cash door-to-door were curtailed. Our engagement with corporates was severely compromised. Throughout our tireless fundraising efforts, we were buoyed by the generosity of our donors, supporters, grant funders and the amazing Welsh public, who responded positively to both initial virtual activities and our 'fit for future' campaign, yielding higher than usual income from both raffles and appeals.

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As we continued to invest in our organisation and our people, we onboarded many new joiners throughout the year, most of whom outside of care and retail were recruited to work virtually for several months before meeting their new colleagues and teams.

The board met with us regularly, monthly at the height of the uncertainty, to provide oversight and support. They endorsed our ambition to continue to invest in strategic and foundational projects designed to enable the charity to emerge stronger from this difficult period. I am delighted to report we made excellent progress with these initiatives whilst juggling the inevitable and often unforeseen day-to-day challenges of restrictions, illness and self-isolation. Notably, these projects included:

- Family Voices (www.tyhafan.org/familyvoices) jointly commissioned with Tŷ Gobaith, the children's hospice in north Wales – to understand the needs of children with life-limiting conditions and their families whom we support across Wales. The key messages, recapped below, were insightful, reiterating the importance of the services we provide:

    - Hospice services provide essential support to families (94% say respite care is essential).
    - The hospices are often their main, or only, source of support (85% say the hospice is their only source of respite).
    - Access to respite/short break care is essential to family coping and wellbeing (75% identified they would benefit from more respite provision at the hospice).
    - The impact on family life of providing complex care (20% said they were isolated, 16% said they were lonely, 35% reported life is difficult and 45% said life is stressful).
    - The whole family need support (counselling and emotional support in the top three services families reported they wanted, but do not always receive at the level/frequency they need).
    - The importance of end-of-life care in a preferred setting (74% of families reported that knowing they can access end-of-life care makes a big difference to their lives and 95% of families who experienced their end-of-life care at the hospice identified it as their preferred setting).
    - Young people (aged 18 to 25) leaving hospice services need more support (over 75% of young people identified that access to a break away was the most valued service provided by the hospice).
    - Bereavement support and counselling make a difference (over 80% of bereaved families felt that the support they had received did meet their needs, leaving c. 20% feeling that they needed more).
    - Services are not always easy to access (73% face barriers when it comes to accessing hospice services, almost 60% of respondents reported that respite is only sometimes available when needed, plus 72% of families have to travel more than 30 minutes to access respite services).
    - Families are experiencing serious financial challenges (51% of families have an annual income less than £25,000, 21% of families rely on less than £12,000 a year, 87% identified that they have experienced financial hardship and 54% incurred debt to cover expenses within the last two years).
    - Describing us as their 'lifeline' the majority of families said more respite and longer breaks would make a difference to their lives.

    The findings prompted us to further collaborate to represent their voices in an ongoing proposal for sustainable government funding: A Lifeline Fund for Wales (tyhafan.org) through a joint investment in public affairs. It has also informed several ongoing strategic projects at Tŷ Hafan, including an extension of our reach,

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advocacy for families, and support for those young people who transition to adult services.

- Independent Care Services Review – in Spring of 2021 we received the findings of this review and are currently in the process of implementing a plan to address its recommendations *(see report by the Director of Care on page 14).*

- 'Fit for Future' – we progressed a project initiated in 2020/21 involving a comprehensive upgrade to our 22 year old hospice facilities, funded through a public appeal. At the time of writing, the major phases of this refurbishment are drawing to a close, and we are grateful to the project team including ambassador, Steve Knapton, who acted as project manager, our employer agent, Capita and main contractors Knox and Wells as well as our own care services and facilities teams for their incredible tenacity and resilience in seeing this through at an incredibly difficult time. We also owe a debt of gratitude to the Charity's major donors and corporate supporters who funded additional alterations that were identified as the project was underway.

- Governance and Risk Management – we commenced the implementation of a quality and assurance compliance system to enable more efficient processes, improved communication, data analysis, data security and overall improvements to end-to-end clinical governance and to embed risk management across the organisation.

While inevitably the wellbeing of our colleagues was compromised through the strain of both living and working through a pandemic, as well as dealing with illnesses or the loss of loved ones, there was never any doubt about our collective commitment to the vision and mission of the Charity. Care services colleagues embraced the additional burden of PPE and worked flexibly to protect and support the young people and families they care about so deeply. Income generation teams, including our fundraising, philanthropy, lottery and retail teams worked incredibly hard to generate much needed funds, supported by corporate and support services who worked tirelessly behind the scenes to ensure our colleagues were supported. Retail colleagues re-engaged with the public, focused on keeping them safe and secure while also adapting to a new ePOS system which launched at the end of the financial year. We also launched a new wellbeing initiative which is going from strength to strength and supported colleagues to work from home where possible while planning to transition to hybrid working arrangements where, and when, this is feasible.

As we embrace another winter and the uncertainties around variants of the virus, we are inspired by the children and families whose lives are unfairly challenging every day. Carrying on the legacy of the Charity's founder, Suzanne Goodall, we are motivated to continue to give 110% to ensure we can make a difference. We remain deeply indebted to those who support us and enable us to contribute to the work for this wonderful charity.

Maria Timon Samra
Chief Executive

Tŷ Hafan exists to provide paediatric palliative care and support services for children and young people with life-limiting conditions and their families in Wales.

Children and young people are described as being life-limited if they are not expected to live beyond 18 years of age. As a charity we support children with many different conditions which include Duchenne muscular dystrophy, cystic fibrosis, severe cerebral palsy, cancer, and very rare genetic conditions.

Some of the children we care for have been diagnosed at, or before birth, some in early childhood whilst others receive no diagnosis and live with unpredictable health over an extended period of time with an uncertain prognosis.

In every case, the care we provide for children and families is tailored and heartfelt, and designed to meet their individual needs. It is holistic and family integrated, focusing on physical, emotional, social, and spiritual needs.

In order to deliver the best possible standard of care, Tŷ Hafan has a skilled and experienced multi-disciplinary care team, which includes medical consultants, specialist nurses and therapists, family support and play workers.

The care and support provided by a children's hospice is different to the services typically offered by an adult hospice whose primary focus is care in the last year of life. At Tŷ Hafan, our care and support is lifelong, family focused, and extends over many years. For teenagers, our dedicated support continues as they move towards their 18th birthday, helping them and their family navigate the often difficult transition to adult services. Our aim is to be there for families when and where they need us most, and to help them share precious moments over whatever time they have together.

Such long periods of illness and extended uncertainty inevitably places a huge strain on family life, so our support is inclusive, encompassing the wider family including parents and siblings. Our support continues after the death of a child, and we are always there for bereaved families.

Tŷ Hafan is a more than a building, it is a diverse and flexible service that extends into homes, hospital and communities across Wales. Tŷ Hafan's services, including the hospice in Sully, Vale of Glamorgan, have continue to be there for children and families throughout the pandemic, providing a wide range of services adapted to minimise COVID-19 risks for children, families and colleagues

Wherever and however our services are provided, they are available completely free of charge for children and families.

The COVID-19 pandemic brought unprecedented challenges for the children and families who access Tŷ Hafan services. Many children with life-limiting conditions are extremely clinically vulnerable, meaning they were required to shield for extended periods of time. Already unfairly hard lives became suddenly more difficult. An unwavering focus on being there for children and families ensured that services were transformed to be available, and accessible for as many children and families as possible, as well as safe and COVID-secure.

Side by side services traditionally provided by Tŷ Hafan in family homes or community settings have been delivered through a virtual community hospice model, using video enabled technology to reach into family homes across our geography – familiar faces delivering valued support differently.

Residential care and support at the hospice has been available for families requiring emergency admissions, and for children and young people needing end of life care. Post death transfers from hospital have also been available, meaning families separated by restrictions, were able to spend precious final moments with their children after they had died.

Telephone support has also been available around the clock for families, and health and social care professionals, ensuring a listening ear and access to specialist advice.

Service recovery plans ensured we were well prepared to step services up or down in response to changes to Welsh Government and Public Health Wales guidance. This resulted in the timely re-introduction of community, hospice and hospital-based services, included providing activities for families in the summer of 2020 and in the December before the second national lockdown.

We have continued to provide lifeline support for children and families. While the pandemic has required changes to be made to how our services have been delivered, our care and support has been defined by compassion, skill and understanding, focused on providing the best possible quality of family life. Practical and emotional care for the child and family was maintained as much as possible, and during a time of additional financial strain, our experts were able to sign post sources of additional support.

The range of services offered by Tŷ Hafan is broad and diverse. The complexity of need as well as the unique circumstances of each child and family means over a lifetime of support most children and families require a mix of services. Services are designed to be delivered independently, but in reality, operate in a complimentary way that ensures support is seamless.

Respite care
Respite care is a lifeline service for many families. While this core service was disrupted by the restrictions imposed by the pandemic, families were able to access emergency respite care at the hospice. Recognising the impact of shielding on families, the virtual hospice model provided a range of bespoke activities to children and families to relieve isolation and provide distraction. The resumption of residential respite care remains a high priority for the hospice and will be reintroduced when it is safe to do so. Respite care offers families the opportunity to enjoy a short break secure in the knowledge their children are being well cared for.

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Emotional support
Caring for a child with a life-limiting illness is exhausting for families who have little time to rest and who fulfil their role as parent carers with skill and expertise. Our skilled family support team is available around the clock every day of the year. The strain experienced by families during the pandemic has been intensified. The family support team has played a pivotal role in sustaining coping through regular support that is tailored to an individual family's unique needs. This support has been available through the virtual hospice model, and through one to one sessions at the hospice and in local communities.

Play and specialist therapies
Play is at the heart of a happy childhood, and it is central to all of our work with children and families. Play specialists are a core part of our team, and skilfully help children understand or communicate their emotions, as well as maximise fun and enjoyment in their short lives. Art and music therapies also offer an essential way for children to express themselves. Specialist physiotherapy, hydrotherapy and occupational therapy is also available. Play and therapy support is available through the virtual hospice model, in family homes, in community settings, in hospitals, and at the hospice.

Sibling support
The siblings of children with life-limiting conditions face unique challenges themselves. Tŷ Hafan offers specialist support that recognises the impact of this, and provides opportunities to understand and express their thoughts and feelings as well as develop mechanisms to help them cope and thrives against a backdrop of isolation and loss. Sibling support is age appropriate and flexes to meet needs over a lifetime of support. Support is offered at the hospice and closer to home on a one to one basis as well as groups.

Practical support
Families of children with life-limiting conditions are more likely to experience financial hardship and can find it difficult to access additional support. Tŷ Hafan is able offer signposting to sources of financial support that can make a world of difference for families already living under incredible strain.

End of life care
Families live with the reality that the time they share with their children will be short. When it becomes clear that this time is drawing closer, Tŷ Hafan is always there. We support the family as they make decisions and talk to them about their wishes, including where they would prefer their child to be cared for. Our skilled teams help them navigate this difficult time, providing support and specialist care when and where they need it. At the very end of life, we are often by their side, at the hospice, at home, or in hospital. When they have said their final goodbyes, our family support team support them as they face the challenges of registering their child's death and making plans for a funeral.

Transitional care and support
When a young person expected to die in childhood approaches their 18th birthday, they and their family, need to navigate the transition from children's services to adult services. Some families describe this time as a 'cliff edge' where they move away from all that is known and familiar, and need to form new relationships with adult services. Tŷ Hafan has a range of services that work with individual families to make this experience less daunting. This includes working across organisational boundaries so that families feel safe and supported and includes joint work with adult hospices and other specialist teams.

Bereavement care

Tŷ Hafan continues to provide support for families after bereavement. This support is designed with the individual needs of families in mind, but also includes opportunities for families to come together to remember their children through dedicated events and remembrance services. Bereavement is experienced uniquely, and we are here for families for as long as they need us.

Peer support

Children and young people, and families, including siblings, can feel different and isolated with few others really knowing and understanding the challenges they face. Peer support is important and builds a sense of community for the families we meet. This is enabled through groups events but also through private social media groups that are facilitated by Tŷ Hafan. This includes groups for mums, dads, siblings, young people, and bereaved families.

Number of children and young people supported: 273

Number of families supported: 406

Number of siblings supported: 72

Number of community interventions: 7,341

Services to young people transitioning to adult care: 24

Under the Charities Act 2011 we have a duty to report on our organisation's public benefit. The board is confident that we meet those public benefit requirements having taken Charity Commission guidance into consideration, and that our activities are consistent with our aims and objectives.

Through the Charity's vision, mission and strategic objectives, we believe that we meet the public benefit requirements as a result of the breadth of the services that we deliver free of any charge to the Charity's beneficiaries.

Vision
A Wales where all children who may die in childhood live a fulfilling family life.

Mission
To offer a high standard of free care to children in Wales who may die in childhood in order to enrich their quality of life and support their families during life, at end-of-life and through bereavement.

Strategic objectives
Tŷ Hafan's strategy is intended to achieve four core goals; expand the reach of the Charity, develop our services, build resilience within the organisation, and invest in our people. We are committed to demonstrating transparency and openness across all these goals and objectives.

Objectives:

- To support the identification of all children with life-limiting conditions in Wales who may die in childhood and, in cooperation with others, offer them and their families, needs assessed palliative care and support.

- To ensure best practice in the delivery of a range of unique, high quality and complementary bespoke care services to children and their families.

- Aim to position Tŷ Hafan as the primary authority leading collaborative efforts to facilitate the development of paediatric palliative care in Wales, and as the most recognised charity in Wales.

- To provide sustainable funding to support the provision of care, now and in the future, and ensure the effective and efficient use of resources.

- To attract, retain, engage, and nurture the best people to achieve the Charity's objectives.

The restrictions resulting from the COVID-19 crisis and the need for Tŷ Hafan children and families to shield meant that care services had to be delivered through the virtual community hospice model with crisis and end of life admissions facilitated by the hospice as required. Despite these conditions there were a number of notable achievements across the year.

Hospice refurbishment

The success of the 'Fit for the Future' cash appeal enabled us to progress with the refurbishment of our hospice building. The hospice was opened 22 years ago and over time the building had become tired and outdated, whilst the needs of children accessing our services have grown more complex. The aim of the refurbishment has been to retain the warm and welcoming nature of the hospice but modernise and ensure a safe and secure environment in which to care for the children and allow them to enjoy their time at the facility. The needs of families have been paramount in the preparation of the refurbishment plan and the beach-themed development should enable them to spend time together having fun and creating special memories.

Over the course of the year a number of phases of the refurbishment have been completed with further completion due in the year ahead. All of this work has been completed under covid-secure conditions and with the hospice remaining open throughout.

Lifeline fund

Tŷ Hafan joined forces with North Wales based Tŷ Gobaith to call for a new sustainable 'Lifeline Fund' and funding parity with the rest of the UK's children's hospices to ensure that all children with life-limiting conditions and their families can receive the support they desperately need.

Combined, the two hospices provide respite and palliative care for more than 400 families with children with life-limiting conditions but receive less than 10% of their annual funding from the Welsh Government.

Children's hospices in England receive 21% of their funding from the UK Government while those in Northern Ireland and Scotland receive 25% and 50% respectively from their government bodies.

The proposal stems from the 'Family Voices' report published jointly by Tŷ Hafan and Tŷ Gobaith in 2020. In the report, families from across Wales expressed their experiences, hopes and fears, and described children's hospices as "our lifeline". The report set out the urgent need for more of the care that only hospices can provide, especially in relation to respite care.

The only two children's hospices in Wales are working constructively with Welsh Government, Members of the Senedd, and the End-of-Life Care Board to find a sustainable funding solution.

The coronavirus pandemic has had a devastating impact on so many, and Tŷ Hafan's fundraising activities suffered unprecedented disruption as a result of the global crisis.

However, despite the turmoil and uncertainty that characterised the year, the generous donations of supporters continued throughout. By adapting and innovating our approach to fundraising our donors were able to maintain their support for us even during the bleakest periods of the crisis.

Unfortunately, the pandemic caused the cancellation of all of Tŷ Hafan's mass fundraising events, but we were able to establish virtual events, which allowed supporters to continue to fundraise on our behalf in a COVID-secure manner and generate much needed funds for the charity. We also encouraged individuals to set themselves challenge tasks as a way of the replacing the marathon runs or cycle rides that were not able to take place.

Individual supporters continued to help us by making one-off gifts or establishing regular donations via digital platforms as they were prevented from filling our collection boxes during lockdown periods. Legacy donations from supporters remembering us with a gift in their will remained a poignant and important source of funds for the Charity.

Th generosity of philanthropic individuals making large donations once again played a vital role in Tŷ Hafan's fundraising activities this year while awards from grant making bodies such as trusts and foundations also formed an important part of our income.

Friends of Tŷ Hafan groups have always played a fundamental role in raising much needed donations for the charity. However, lockdown conditions curtailed the ability to conduct their normal activities. Their continued support was evident as restrictions relaxed and they continue to play a pivotal role for our organisation.

We were once again fortunate to receive support from businesses and corporate sponsors who were responsible for delivering much needed funds across the year. The ability to reach into a business workforce to raise awareness was limited over the year but the mutual benefits of business partnerships remain an essential part of fundraising activities.

The financial support from our donors were supported by Tŷ Hafan's commercial activities, which play an important role in enabling the charity to create diversified income sources.

A lottery was established from the inception of the charity and has grown to become one of the largest hospice lotteries in the UK. Crackerjackpot, a wholly owned subsidiary of Tŷ Hafan, is a stable revenue source and has been able to operate continuously throughout the pandemic.

Tŷ Hafan's network of shops allow the Charity to reach across Wales and both generate income and increase awareness in the local communities that we serve. The network was severely impacted by the pandemic with closures during lockdown periods but as these were lifted supporters returned to shop with us and generate with much needed income.

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These income streams combine to provide Tŷ Hafan with a stable financial foundation to continue providing care and support for children with life limiting conditions and their families in Wales.

Fundraising performance
Our fundraising efforts were severely impacted by the coronavirus pandemic. However, there were a number of significant highlights for fundraising activities over the year:

- £1.7m from entries into our Crackerjackpot lottery. Over 30,000 average weekly plays.
- £1.5m received from individual supporters responding to our appeals or giving by various means such as regular weekly donations.
- £1.1m received from individuals who have remembered us with a gift in their will
- £0.6m generated from our supporters shopping or donating at one of Tŷ Hafan 's shops across Wales.
- £0.4m received in grant awards from institutions such as trusts and foundations.
- £0.3m from businesses and corporate organisations that have donated funds to help deliver care and support to Tŷ Hafan children and families.

Employees

Over 200 staff are employed at Tŷ Hafan to ensure we achieve our aim of delivering the highest quality services to children with life-limiting conditions and their families. Whilst we are relatively small organisation, the need to deliver care services, and fundraise to support them, requires a broad and diverse range of skills. Our staff includes pharmacists and play workers, corporate fundraisers and shop managers, lottery canvassers and registered nurses, and much more besides. Support from IT, finance, HR and facilities professionals enables the organisation to operate efficiently.

Staff wellbeing is of paramount importance to us. The issues created by the pandemic were many and complex, with staff contending with the need to operate in a covid-secure manner, working from home or furloughed under the government job retention scheme. Maintaining staff health and well-being under these circumstances meant a greater focus was required, and beyond the implementation of government guidance the charity applied a range of measures to ensure that staff were supported and nurtured during this period of uncertainty and concern.

Training and personal development provide the foundation for excellence across the organisation. Bespoke training plans with both internal and external programmes were implemented alongside statutory training to ensure that staff have the skills required to deliver our strategic goals.

Diversity and inclusion are fundamental to Tŷ Hafan as an organisation. Our processes ensure that no member of staff or job applicant receives less favourable treatment on grounds of age, disability, gender reassignment, marital status, pregnancy and maternity, religion or philosophical belief, sex and sexual orientation.

Volunteers

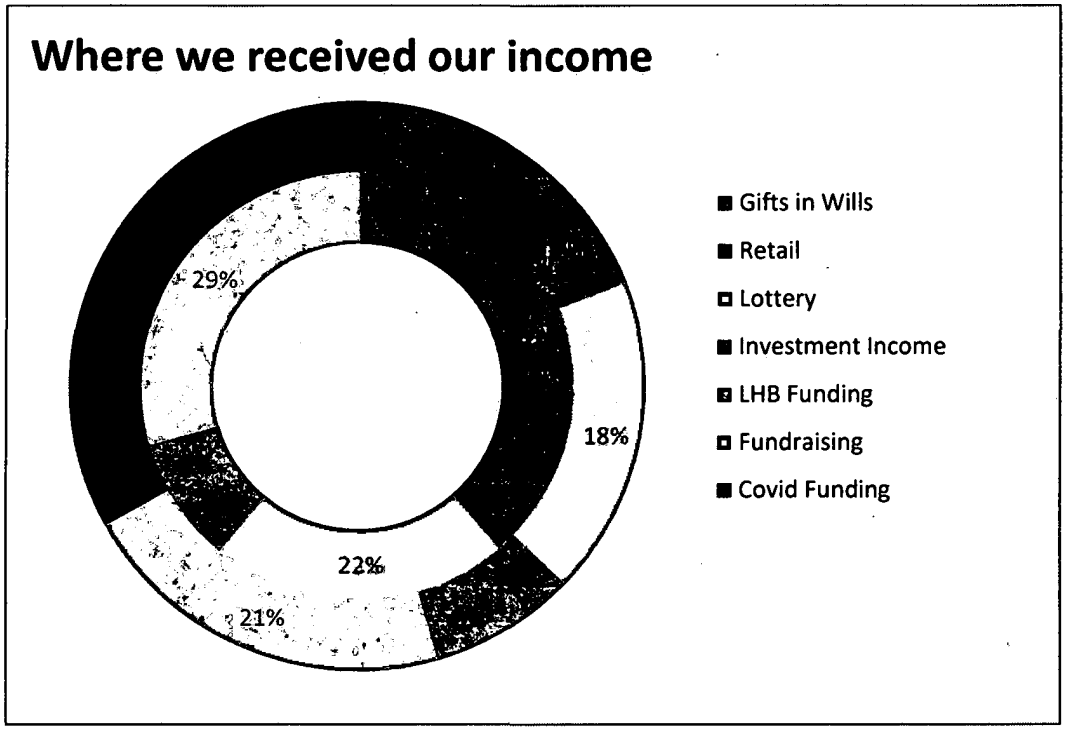
Volunteers play a vital role in the enabling Tŷ Hafan to support children with life-limiting conditions and their families. The scope of volunteering at the charity is too broad to detail but is fundamental in all aspects of the of the organisation from Tŷ Hafan's shops and the Charity's fundraising activities to its ambassadors promoting awareness, raising income, or securing gifts in wills. Volunteers devote their time to the maintenance of our extensive grounds, and even working directly with children and families at the hospice and beyond.

We are unable to capture the importance of volunteers to our organisation within our financial accounts, but the organisation would not be able to function without them and we offer our sincere thanks to each and every one.

Results for the year ended 31 March 2021 are shown in the Consolidated Statement of Financial Activities on page 31. This shows the financial results for Tŷ Hafan and its trading subsidiaries, Tŷ Hafan Trading Limited and Crackerjackpot Limited, which both donate their profits to the charity.

Income

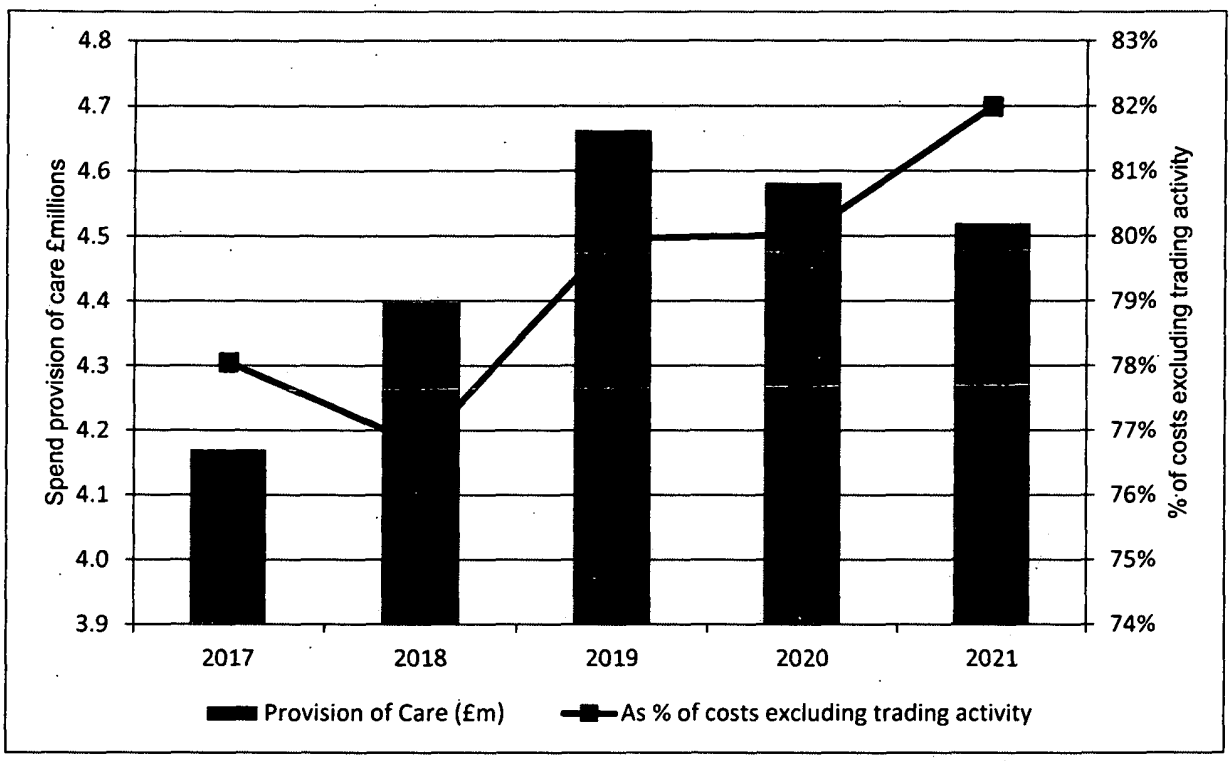
Total income received in 2020/21 increased to £9,157,070 (2019/20 £8,506,379). This represents an 8% increase from the previous year.



It is important to acknowledge the significant impact the pandemic had on income generation. Without support from the various government COVID funding schemes, total income would have reduced to £6.1m, a 28% reduction to 2019/20. Retail income was the hardest hit as our shops were closed due to lockdown restrictions for large periods of the year. Unfortunately, as a result of the pandemic we took the decision to close six of our 25 shops as they were no longer commercially viable.

Expenditure

Total expenditure in 2020/21 fell by £864,968 (9%) to £8,527,720 (2019/20 £9,392,688). There was a slight reduction of spend in the provision of care of £62,307 (1%) with the majority of the expenditure reduction coming in retail which fell by £534,764 (21%) mainly due to shop closures in the year.



Excluding our trading activity in retail and lottery, 82 pence of every pound of expenditure is spent on charitable activity. This is in line with our objective to ensure more of our donations are used directly on our beneficiaries.

Cashflow

Overall, in 2020/21 there was a net cash outflow of £119,136 reducing the cash held to £249,541 as at 31 March 2021. This included the withdrawal of £500,000 of funds from our investment portfolio during the year.

Reserves

The board considers the maintenance of unrestricted reserves as an essential safeguard to mitigate the risks faced by the Charity and their potential impact on income and planned expenditure. The Charity has a responsibility to give confidence to its beneficiaries that we can provide our services even during times of economic uncertainty.

The board has established the level of reserves using the methodology outlined in the Charity Commission guidance and has considered the level of required reserves based on the assets used in the Charity and the risks to the Charity and likelihood of an event occurring.

The reserves policy is reviewed and agreed each year by the board.

The Charity's reserves are detailed in note 22 and 23 of the accounts.

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At 31 March 2021, the Charity held £9,898,183 in unrestricted free reserves (2020: £9,760,950). The reserves were broken down as follows:

	31/03/2021	31/03/2020
Net Assets	£18,718,536	£15,895,977
Less Designated Reserves	(£7,937,068)	(£5,019,414)
Less Restricted Reserves	(£883,285)	(£1,115,613)
Unrestricted Free Reserves	**£9,898,183**	**£9,760,950**

Unrestricted free reserves have increased by £137,233 (1%) during the year. Designated reserves have increased by £2,917,654 (58%) due to the inclusion of the provision for planned deficits in 2021/22 and 2022/23 totalling £2,136,000. Designated reserves also include the net book value of property owned by Tŷ Hafan.

Going concern
The Charity's financial position and performance has been outlined in the financial review above. The board has assessed projected future income, expenditure and cash flows, and analysed the strength of the Charity's reserves, liquid assets and its ability to withstand a material fall in income. Consideration has been given to the stability and diversity of various income streams in making this assessment and the challenges currently faced by the Charity due to the pandemic.

The board has concluded that there is a reasonable expectation that Tŷ Hafan and its trading subsidiaries, Tŷ Hafan Trading Limited and Crackerjackpot Limited, have adequate resources to continue activities for the foreseeable future. Therefore, they have continued to adopt the going concern basis in preparing the financial statements.

Approach to financial investments
Decisions about the investment strategy and policy are governed by the finance with governance committee and approved by the board. The investment policy is reviewed annually by the board.

Tŷ Hafan's investment portfolio is managed by investment managers according to the board's instructions. The investment strategy is formally reviewed with our investment managers and finance with governance committee annually and more frequently when considered necessary.

During 2020/21 the investment portfolio was transferred to newly appointed investment managers, Brewin Dolphin following the periodic review of investment management services.

Tŷ Hafan's investment risk appetite for its investment portfolio is consistent with a strategy of seeking to preserve and generate longer term capital growth and income ahead of the rate of inflation in order to grow the free reserves of the Charity. Tŷ Hafan does not depend on investment returns to fund its short-term operational requirements and is, therefore, able to tolerate short to medium term volatility of its investment portfolio.

The total value of the investment portfolio as at 31 March 2021 was £12,530,466 (2020: £10,664,014) representing an overall increase in value for the year of £1,866,452 or +18% (2020: -10%).

During the year, there was a cash withdrawal from the portfolio totalling £500,000 (2020: £300,000).

The board recognises it has a responsibility to consider any ethical implications of its investments. This could lead to conflicting objectives between delivering the targeted returns and excluding certain investments that go against Tŷ Hafan's ethos and purpose. It is, therefore, Tŷ Hafan's policy to use a negative screening approach avoiding investment in companies or sectors undertaking a particular activity or operating in a way which may be harmful to Tŷ Hafan's interests. This is reviewed annually alongside the investment policy review.

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Tŷ Hafan is a registered charitable company limited by guarantee and an independent hospital. It is subject to company law, charity law, trust law and bound by legislation governing the safe delivery of healthcare. As a result of its activities, Tŷ Hafan is accountable to a range of regulators:

- the Charity Commission
- the Fundraising Regulator
- the Gambling Commission
- Healthcare Inspectorate Wales (HIW)
- HMRC.

The board of directors is legally responsible for financial probity, legal and regulatory compliance, and the Charity's registration as a private voluntary hospital under the Independent Healthcare (Wales) Regulations 2011.

The board, as the accountable body, governs Tŷ Hafan through its constitution. Tŷ Hafan's Articles of Association, Scheme of Governance (including Standing Orders, Matters reserved for Board, and Scheme of Delegation) and Statement of Purpose form the Charity's governance framework for implementing the Charity's strategic objectives, monitoring progress, and managing the Charity's activities effectively, honestly, prudently, safely, transparently, and without personal gain.

Trustee recruitment and development

A trustee code of conduct ensures trustees continue to act within their powers to deliver the Charity's objectives for the long-term benefit of the Charity's beneficiaries. They must exercise their duties, individually and collectively, according to the Charity's constitution and charity law.

In line with best practice and the Charity Governance Code, the board continuously seeks to augment the diversity of its skillset through a continuous succession plan. Trustees are subject to a rigorous interview process, probationary period, due diligence checks and induction to ensure they become effective members of the board, working in the best interest of the Charity. Trustees play an engaged role, volunteering their time and support freely. They contribute the benefit of their professional expertise, and collaborate to protect and develop the Charity in a heavily regulated environment.

Trustees may serve up to a maximum of six years and may be nominated for re-election at the end of the first three-year term. The board and senior executives of Tŷ Hafan are listed within the 'reference and administrative details' section of the accounts.

Delegation

Although specific authority is delegated to the chairman, committees and the chief executive, the board remains ultimately accountable for the Charity's affairs, financial probity, legal and regulatory compliance and registration as an independent hospital. The board sets the long-term goals for the Charity and the chief executive, who is responsible for operational activity, translates this into a strategy and business plan to be delivered by the executive team. The board overseas the management of the Charity and meets regularly to receive reports from its committees, executive directors and officers of the board.

Committees

The board benefits from the support of four standing committees, and various ad hoc committees, with specific remits to scrutinise the management of the Charity's operations. Each committee comprises a chair, members selected by the nominations committee and committee chair, and executive directors, as advisors to the board. Standing committees include:

- Clinical governance committee, upholding excellence in clinical care by monitoring the quality of safeguarding and care service delivery.
- Directorate and operations committee, which considers operational management and fundraising activity
- Finance with governance committee examines financial, fiduciary and investment issues, as well as the Charity's governance arrangements
- Remuneration committee reviews issues relating to staff financial compensation, and terms, conditions and benefits.

The nominations committee meets as required to ensure an effective board is in place to govern the Charity with financial probity and transparency. This committee scrutinises the board's composition and performance, ensures robust recruitment and succession planning, and that the board complies with the Charity's governing documents and policy framework.

Pay structure

The board ensures that there is a transparent process in place for the setting of salaries within the Charity to ensure fair and equitable pay, determined by affordability, economic indicators, and competitiveness. This is achieved by an annual review to benchmark every paid role within the Charity against comparable roles in similar organisations. Recommendations for proposing annual pay awards are considered by the remuneration committee and, if endorsed, require board approval. Remuneration for members of the executive team, including the chief executive, is considered separately, and agreed by the board. In 2020/21 there was no pay award due to the financial position of the Charity.

Subsidiary companies

As disclosed in note 16 to the financial statements, Tŷ Hafan owns two subsidiaries, Tŷ Hafan Trading Limited and Crackerjackpot Limited, which are independently governed and gift surplus funds to the Charity.

Managing risk and uncertainties

Tŷ Hafan conducts a broad range of activities including the delivery of specialist paediatric palliative care within a hospice environment, operating a network of retail shops, organising fundraising, marketing, and events activities, and conducting regulated gambling through the Charity's subsidiary, Crackerjackpot.

The breadth of these activities requires a careful and systematic approach to risk and uncertainty to safeguard the Charity's people and resources whilst delivering on charitable objectives.

We were unable to predict the massive impact that the global pandemic would have on the whole organisation, but we have been able to rely on robust risk management processes to ensure continuity of the highest standards of clinical and charity governance. The trustees are confident that with careful planning and the continued generous support of our donors that we will continue to deliver our objectives successfully and maintain our financial position.

Tŷ Hafan's risk management framework, as part of our risk management policy, is central to Tŷ Hafan's Scheme of Governance and is based upon the principles of BSI ISO 31000 and COSO Enterprise Risk Management framework. The aim is to integrate the risk management policy in the Charity's business planning processes enabling trustees to comply with the regulatory requirement to publicly account for the effectiveness of the Charity's risk management processes.

Process of risk management
The corporate risk register is scrutinised regularly by the executive team and risk management group to ensure that adequate control measures are in place for each risk identified. Recommended actions are attached to each risk and assigned to an owner to reduce the likelihood of the risk occurring or mitigate the consequences should it do so. The recommendations are examined by the relevant committees and passed forward to the board for approval at least on an annual basis.

Principal risks identified for the Charity include:
- the impact of COVID-19
- economic uncertainty
- environmental challenges
- financial stability and safeguarding the Charity's assets
- information governance
- reputational risk
- safeguarding

The board is satisfied that risk management is regularly assessed to ensure that actions and controls are effective and ensure that the Charity remains compliant and works to best practice in caring for children and their families.

Tŷ Hafan is not aware of any principal uncertainties as at 31 March 2021, nor in the period before signing the annual report and accounts.

Reference and administrative details

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Registered Company Number	3077406
Registered Charity Number	1047912
Registered Office	Tŷ Hafan, Hayes Road, Sully, CF64 5XX
Auditors	Bevan Buckland LLP, Swansea
Principal Solicitors	Hutchinson Thomas, Swansea
Principal Bankers	HSBC Plc, Cardiff, Barclays Bank, Cardiff
Investment Managers	Brewin Dolphin Investment Managers

The board

The trustees, who are also company directors, served the Charitable Company during the period were as follows:

Martin Davies	Chairman of the board from 24 August 2017, appointed as a trustee 11 December 2014
Dr Keith Holgate	Deputy chair of the board Appointed 26 March 2020, appointed as a trustee 20 April 2017
Dr Huw Jenkins	Appointed 3 May 2018
James Pepper	Appointed 9 April 2020
Elizabeth Thomas	Appointed 29 May 2019
Sian Thomas	Appointed 29 May 2019
Sue Carter	Appointed 9 December 2019
Gareth Morgan	Appointed 19 December 2018, resigned 30 March 2021
Richard Adams	Appointed 9 December 2019, resigned 21 May 2021

Co-opted member

James Pepper	from 29 May 2019 to 9 April 2020 when appointed as a trustee

Chief Executive and Company Secretary

Maria Timon Samra	Chief executive from 11 May 2020
Rob Jones	Chief Executive, resigned 13 July 2020
Rob Jones	Company Secretary from 29 November 2018 to 16 June 2020

Executive Team

Deborah Ho	Director of Care from 16 March 2020
Jason Foster	Director of Finance
Julian Hall	Director of Fundraising and Marketing from 29 July 2019 to 4 September 2020
Phae Jones	Director of Income Generation from 12 October 2020

Trustees' responsibilities in relation to the financial statements

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The trustees (who are also the directors of Tŷ Hafan for the purposes of company law) are responsible for preparing the trustees' annual report and financial statements in accordance applicable law and United Kingdom accounting standards (United Kingdom Accepted Accounting Practice).

Company law requires the charity trustees to prepare financial statements for each 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 the financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities SORPS
- 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 company will continue to operate.

The trustees are responsible for keeping adequate accounting records that disclose, with reasonable accuracy at any time, the financial position of the charitable company and 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information (as defined by Section 418 of the Companies Act 2006), of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make them aware of any relevant audit information and to establish that the auditor is aware of that information.

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

Auditors

The auditors, Bevan Buckland LLP, will be proposed for reappointment at the forthcoming general meeting.

Approval

This report was approved by the trustees as members of the charitable company on 7 December 2021 and was signed on their behalf by

Martin Davies

Martin Davies, Trustee and Chairman of the Board

Date 15/12/2021

Opinion

We have audited the financial statements of Tŷ Hafan (the 'parent charitable company') and its subsidiaries ('the group') for the year ended 31 March 2021 which comprises the consolidated statement of financial activities, the Consolidated and Parent Charitable Company balance sheets, the Group statement of cash flows 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, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 March 2021 and of the group's profit for the year then ended
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the 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's and the parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorized for issue.

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

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 Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements and
- 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 group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

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

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

Responsibilities of trustees

As explained more fully in the statement of Trustees responsibilities, 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.

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

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 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.

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:

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

We identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, and then, design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

We discussed our audit independence complying with the Revised Ethical Standard 2019 with the engagement team members whilst planning the audit and continually monitored our independence throughout the process.

Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

enquiring of management, including obtaining and reviewing supporting documentation, concerning the Group's and parent charitable company's policies and procedures relating to:

- identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance
- detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud
- Internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations

Discussing among the engagement team how and where fraud might occur in the Financial Statements and any potential indicators of fraud. As part of this discussion, we identified potential for fraud in the following areas.

Obtaining an understanding of the legal and regulatory frameworks that the Group and Parent Charitable company operates in, focusing on those laws and regulations that had a direct effect on the Financial Statements or that had a fundamental effect on the operations of the Group and Parent Charitable Company, the key laws and regulations we considered in this context included the UK Companies Act and relevant tax legislation.

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Audit response to risks identified
In addition to the above, our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations
- enquiring of management concerning actual and potential litigation and claims; performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud
- reading minutes of meetings of those charged with governance and reviewing correspondence with HMRC
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments
- assessing whether the judgements made in making accounting estimates are indicative of a potential bias
- evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the 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 company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Alison Vickers (Senior Statutory Auditor)
For and on behalf of Bevan Buckland LLP, Statutory Auditor
Ground Floor
Cardigan House
Castle Court
Swansea Enterprise Park
Swansea
SA7 9LA

Date: 15/12/2025

Consolidated Statement of Financial Activities (Incorporating the Consolidated Income and Expenditure Account) for the year ended 31 March 2021

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £	Total Funds 2020 £
Income from:					
Donations and Legacies	2	**5,682,000**	**432,280**	**6,114,280**	3,306,634
Charitable Activities					
- Provision of Care	3	**529,164**	-	**529,164**	489,370
Other Trading Activities	4	**2,270,547**	-	**2,270,547**	4,385,681
Investments and other income	5	**243,079**	-	**243,079**	324,694
Total income		**8,724,790**	**432,280**	**9,157,070**	8,506,379
Expenditure on:					
- Trading Activities	6	**3,015,442**	-	**3,015,442**	3,665,971
Total income net of trading expenditure		**5,709,348**	**432,280**	**6,141,628**	4,840,408
Expenditure on:					
- Raising Funds	6	**922,501**	-	**922,501**	1,070,616
- Investment Management	6	**69,782**	-	**69,782**	73,799
Net income available for Charitable Activities		**4,717,065**	**432,280**	**5,149,345**	3,695,993
Charitable Activities					
- Provision of Care	7	**4,453,152**	**66,843**	**4,519,995**	4,582,302
Total Expenditure		**8,460,877**	**66,843**	**8,527,720**	9,392,688
Net income before gains/(losses) on investments		**263,913**	**365,437**	**629,350**	(886,309)
Net gains/(losses) on investments		**2,193,209**	-	**2,193,209**	(1,112,361)
Net Income / (Expenditure)		**2,457,122**	**365,437**	**2,822,559**	(1,998,670)
Gross transfers between funds	22	**597,765**	**(597,765)**	-	-
Net movement in funds		3,054,887	(232,328)	2,822,559	(1,998,670)
Reconciliation of Funds					
Funds balances brought forward	22	**14,780,364**	**1,115,613**	**15,895,977**	17,894,647
Fund balances carried forward	22	**17,835,251**	**883,285**	**18,718,536**	15,895,977

The consolidated statement of financial activities includes all gains and losses recognised in the year.
All incoming resources and resources expended derive from continuing activities.

		2021		2020	
		£	£	£	£
	Note	**Group**	**Charity**	Group	Charity
Fixed assets					
Tangible Assets	15	**6,198,015**	**6,198,015**	5,788,945	5,788,945
Investments	16	**12,530,466**	**12,540,467**	10,664,014	10,674,015
		18,728,481	**18,738,482**	16,452,959	16,462,960
Current assets					
Stock	17	**16,302**	**-**	33,016	12,700
Debtors	18	**1,208,746**	**1,195,818**	655,478	697,435
Cash at bank		**249,541**	**152,973**	368,677	115,853
		1,474,589	**1,348,791**	1,057,171	825,988
Current liabilities					
Creditors: Amounts falling due within one year	19	**(869,171)**	**(765,552)**	(935,528)	(740,499)
Net current assets		**605,418**	**583,239**	121,643	85,489
Provisions for liabilities and charges	20	**(615,363)**	**(615,363)**	(678,625)	(678,625)
Net Assets		**18,718,536**	**18,706,358**	15,895,977	15,869,824
Funds					
Restricted	22	**883,285**	**883,285**	1,115,613	1,115,613
Unrestricted	22	**17,835,251**	**17,823,073**	14,780,364	14,754,211
		18,718,536	**18,706,358**	15,895,977	15,869,824

The financial statements were approved by the Board of Directors on

15 December 2021 and were signed on its behalf by:

Martin Davies

Martin Davies - Trustee and Chair of the Board

Registered Company Number: 3077406

	Note	2021 £	2020 £
Net cash provided by (used in) operating activities	24	**315,385**	(549,163)
Cash flows from investing activities:			
Deposit Interest received	5	**53**	703
Payments to acquire tangible fixed assets	15	**(1,004,357)**	(480,409)
Investment portfolio management fees	6	**69,782**	73,799
Transfer of cash held from investments		**500,000**	300,000
Net cash provided by (used in) investing activities		**(434,521)**	(105,907)
Change in cash and cash equivalents in the reporting period		**(119,136)**	**(655,070)**
Cash and cash equivalents at the beginning of the year		**368,677**	1,023,747
Cash and cash equivalents at the end of the year		**249,541**	**368,677**

Analysis of cash and cash equivalents	**31 March 2021**	**31 March 2020**
	£	**£**
Cash at bank and in hand	**249,541**	368,677
Total cash and cash equivalents	**249,541**	368,677

Analysis of changes in net debt	**31 March 2020**	**Cash flow**	**31 March 2021**
	£	**£**	**£**
Cash	368,677	(119,136)	**249,541**
Total	368,677	(119,136)	**249,541**

1. ACCOUNTING POLICIES

Basis of preparation

The financial statements of the Charitable Company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention or transaction value unless otherwise stated in the relevant accounting policy note(s).

The Charitable Company's functional and presentational currency is the pound sterling (£), and balances are rounded to the nearest £1.

Preparation of the accounts on a going concern basis

At the time of approving the accounts, the Trustees have a reasonable expectation that the Charity, and the Group, have adequate resources to continue in operational existence for the foreseeable future. The Trustees have reviewed the reserves policy which supports the long-term business plan of the Charity. Thus, the trustees continue to adopt the going concern basis of accounting in preparing the accounts.

Basis of consolidation

The group financial statements consolidate those of Tŷ Hafan and its subsidiary undertakings, Tŷ Hafan Trading Limited and Crackerjackpot Limited (see note 16), made up to 31 March 2021, on a line by line basis.

The consolidated entity is known as the 'Group'. Accounting policies specific to the Charitable Company or group in total are laid out below.

No separate company Statement of Financial Activities (SOFA) has been prepared for the Charitable Company as permitted by Section 408 of the Companies Act 2006.

Incoming resources

Income is recognised when the Charitable Company has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measure reliably. It is derived from the activities outlined below.

Donations and similar incoming resources are recognised when they are received. Where refundable income is received in respect of a specified event or project, the income is deferred until completion of that event or project.

Pecuniary and residuary legacies are recognised on a case by case basis following the granting of probate and when the administrator/executor for the estate has communicated in writing the amount and of the legacy. In the event that the legacy is in the form of an asset other than cash or a financial asset traded on a recognised stock exchange, recognition is subject to the value for the legacy being reliably measurable

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with a degree of reasonable accuracy and the title to the asset being transferred to the Charitable Company. Reversionary legacies are not recognised during the lifetime of the original beneficiary under the will. An estimate of the total number and value of all open legacy cases which do not meet the above conditions, but to which the Charitable Company may be entitled is disclosed within the notes to the accounts.

Donated goods capitalised as tangible fixed assets are included as 'Income from Donations and Legacies' at their market value at the time of receipt.

Gift Aid receivable is included in income when there is a valid declaration from the donor.

Grants (including government grants) which are received to fund specific purposes are recognised as restricted incoming resources in the year in which the Charitable Company is entitled to the funds. Revenue grants are credited as incoming resources when they are receivable, provided conditions for receipt have been complied with.

During the year the following COVID-19 government support was received (as per note 2):

	£
Job Retention Scheme	710,256
Hospice Emergency Funding	1,584,869
Retail business grants	737,500
Total	3,032,625

There are no unfulfilled conditions attached to the above grants received

Fees receivable from Welsh Local Health Boards in respect of respite care are recognised on receipt.

The value of the goods donated for sale in the shops operated by the Charitable Company is recognised at the point of sale unless it is practicable for the goods to be measured at fair value on receipt. For these items the value is recognised as stock on the balance sheet and the released to the income statement when the item is sold.

The income for the weekly membership lottery is recognised when it is received except for money received in advance of the draw to which it relates, which is treated as deferred income.

Investment income comprises bank deposit interest and dividends and interest arising from discretionary investment activities. Investment income arising from discretionary investment activities is re-invested by the Investment Managers.

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 headings:

- Costs of raising funds; includes the direct costs of operating the Charitable Company's shops, membership lottery and appeals office together with an apportionment of head office costs to reflect the support provided to the fundraising operations. The direct costs of operating the Charitable Company's shops do not include any valuation of donated goods sold.

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- Costs of charitable activities; includes the direct costs of operating care services together with an apportionment of head office costs to reflect the support provided to these activities.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

Allocation of support and governance costs
Support costs are those functions that assist the work of the Charitable Company but do not directly undertake charitable activities. Support costs have been allocated between governance costs and other support costs. Governance costs comprise all costs involving the public accountability of the Charitable Company and its compliance with regulation and good practice. These costs include costs related to statutory audit and legal fees together with an apportionment of overhead and support costs.

The bases on which support costs have been allocated are set out in note 8.

Taxation
The charitable members of the group are exempt from income and corporation taxes on income and gains to the extent that they are applied for their charitable objects. The trading subsidiaries do not generally pay UK Corporation Tax because their policy is to pay taxable profits to the Charitable Company as gift aid.

Tangible fixed assets
All tangible fixed assets are included at cost less accumulated depreciation. Items of a capital nature costing less than £1,000 are not capitalised. There are no heritage assets.

At present there are no circumstances existing to suggest that an impairment review of the carrying value of fixed assets is required. This position is reviewed on an annual basis. Any impairment is recognised in the year in which it occurs.

Depreciation
Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Hospice development and equipment	5%, 10% and 20% on cost
Freehold Land & Building	2% on cost
Shops and office equipment	20% on cost
Computer equipment	33% on cost
Fixtures and fittings	20% on cost
Motor Vehicles	25% reducing balance

Assets under construction are carried at cost and are not depreciated until they come into use.

Investments
Assets held for investment purposes are valued at fair value (their market value) at the balance sheet date, except for investments in trading subsidiaries, which are held at cost, as the trustees believe that the market value of the trading subsidiary is not materially different to its cost.

Realised gains and losses on investments are calculated as the difference between sales proceeds of these investments and their market value at the start of the year, or

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their subsequent costs, and are charged or credited to the statement of financial activities in the period of disposal.

Unrealised gains and losses represent the movement in market values during the year and are credited or charged to the statement of financial activities based on the market value at the year-end.

Investments in Subsidiaries
Investment in subsidiary entities are held at cost less impairment.

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

Stocks
Stocks represent purchased stock items only and are stated at the lower of cost and estimated net realisable value. Where necessary, provision is made for obsolete, slow moving and defective stocks. Stock does not include goods donated for sale in the Group's charity shops unless it is practicable for the goods to be measured at fair value on receipt.

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

Creditors and provisions
Creditors and provisions are recognised where the Charitable Company 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.

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

Fund accounting policy
Unrestricted funds are those which are available for use at the discretion of the Board of Directors in furtherance of the general objectives of the Charitable Company and which have not been designated for other purposes.

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

Designated funds are unrestricted funds of the Charitable Company, which the trustees have decided at their discretion to set aside to use for a specific purpose.

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Operating lease agreements
Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the statement of financial activities on a straight-line basis over the period of the lease.

Pension costs
Contributions in respect of defined contribution pension schemes are charged to the statement of financial activities in the period in which they are payable.

The Charitable Company also participates in the NHS Pension Scheme, a defined benefit pension scheme, but it is unable to identify its share of the underlying assets and liabilities. The pension costs charged against net incoming resources are the contributions payable to the scheme in respect of the accounting period.

Critical accounting estimates and assumptions
The Charitable Company makes estimates and assumptions concerning the future. The resulting accounting estimates will by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next year are addressed below:

(I) Useful economic lives of tangible assets
The annual depreciation charge for tangible assets is sensitive to changes in the estimate useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimate, based on technological advancement, future investments, economic utilisation and the physical condition of the assets, see note 15 for the carrying amount of each class of asset held, and above for the useful economic lives for each class of assets.

(II) Impairment of debtors
The Charitable Company makes estimates of the recoverable value of debtors. When assessing the impairment of debtors, management consider factors including the current credit rating of the debtor, the ageing profile of debtors and historic experience. See note 18 for the net carrying amount of debtors and associated impairment provision.

(III) Provisions
Provision is made for the dilapidation on leasehold premises. These provisions require management's best estimate of the costs that will be incurred based on legislative and contractual requirements. (See note 20).

(IV) Income recognition of legacies
Residuary legacies have been recognised using a case by case basis when the amount receivable can be measured accurately following written confirmation from the estate executor/administrator. Management have accrued for a percentage of the legacy pipeline which is consistent with experience over the last four years.

2. INCOME FROM DONATIONS AND LEGACIES

	Unrestricted Funds	Restricted Funds	Total Funds 2021	Total Funds 2020
	£	£	£	£
Donations, appeals and similar income	1,517,211	432,280	1,949,491	2,502,799
Legacies	1,132,164	-	1,132,164	803,835
Covid Funding	3,032,625	-	3,032,625	-
	5,682,000	432,280	6,114,280	3,306,634

In accordance with the Charities SORP (FRS102) the Charitable Company accounts for legacies as receivable when conditions for entitlement have been met; and receipt of the income can be measured accurately. An external notification service is used to notify the Charitable Company of bequests and a system of monitoring ensures that the legacy is tracked until receipt.

At the year-end the Charitable Company had 36 (2020: 27) open legacy cases which had not met all of the above conditions. Should indicative amounts be received in respect of these legacies the Charity could benefit from a further £561,169 (2020 £478,430) in the future. In applying the requirements of the Charities SORP (FRS 102) in measuring income when it can be accurately measured, an accrual of £15,300 (2020: £92,632) has been included in the accounts for legacy bequests.

3. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted Funds	Restricted Funds	Total Funds 2021	Total Funds 2020
	£	£	£	£
Local Health Authorities	486,176	-	486,176	443,913
Public Funding	42,988	-	42,988	45,457
	529,164	-	529,164	489,370

4. INCOME FROM OTHER TRADING ACTIVITIES

	Unrestricted Funds	Restricted Funds	Total Funds 2021	Total Funds 2020
	£	£	£	£
Retail activities	612,881	-	612,881	2,484,694
Membership lottery	1,657,666	-	1,657,666	1,900,987
	2,270,547	-	2,270,547	4,385,681

5. INVESTMENT AND OTHER INCOME

	Unrestricted Funds	Restricted Funds	Total Funds 2021	Total Funds 2020
	£	£	£	£
Listed investment Income	243,026	-	243,026	323,991
Interest Received	53	-	53	703
	243,079	-	243,079	324,694

6. EXPENDITURE ON RAISING FUNDS

	Unrestricted	Restricted	Total 2021	Total 2020
	£	£	£	£
Donations, appeals, legacies and similar income	922,501	-	922,501	1,070,616
Membership Lottery	1,009,442	-	1,009,442	1,125,207
Investment Management Costs	69,782	-	69,782	73,799
Retail Expenditure	2,006,000	-	2,006,000	2,540,764
	4,007,725	-	4,007,725	4,810,386

7. EXPENDITURE ON CHARITABLE ACTIVITES

	Unrestricted	Restricted	Total 2021	Total 2020
	£	£	£	£
Provision of Care:				
Direct Costs	3,507,904	66,843	3,574,747	3,616,216
Support Costs (see note 8)	945,248	-	945,248	966,086
	4,453,152	66,843	4,519,995	4,582,302

8. SUPPORT COSTS

Cost Categories	Charitable Activities	Donations & Legacies	Membership Lottery	Retail	Total 2021	Basis
	£	£	£	£	£	
Management	133,515	30,508	27,767	47,475	239,265	Average Head Count
Finance	241,208	55,788	48,225	94,649	439,870	Average Head Count
Governance (note 9)	110,110	-	-	-	110,110	Time Spent
IT	108,094	25,101	21,320	43,750	198,265	Average Head Count
Human Resources	183,662	42,651	36,223	74,348	336,884	Average Head Count
PR & Marketing	168,659	39,131	33,365	67,809	308,964	Time Spent
	945,248	193,179	166,900	328,031	1,633,358	

All costs are attributed by activity on the basis of head count or time spent on each activity. As the Charitable Company has only one charitable activity all support costs are allocated to this activity.

9. GOVERNANCE COSTS

Analysed as:	Unrestricted	Restricted	Total 2021	Total 2020
	£	£	£	£
Salary costs	94,629	-	94,629	89,378
Audit fees	11,040	-	11,040	10,000
Accounting services	4,259	-	4,259	5,000
Legal and professional	176	-	176	24
Trustee's expenses	6	-	6	2,379
	110,110	-	110,110	106,781

10. NET INCOME

The net surplus / (deficit) is stated after charging:

	2021	2020
	£	£
Operating leases	398,172	524,885
Fees payable to the Charitable Company's auditor for the audit of the parent	10,299	10,000
Depreciation of owned assets	345,361	346,972

11. TRUSTEES' REMUNERATION AND BENEFITS

	2021	2020
	£	£
Trustees Expenses	6	2,379

During the year, 1 (2020:1) Trustee was reimbursed for miscellaneous expenses.

12. EMPLOYEES' REMUNERATION

a) Staff costs
Staff costs during the year were:

	Group	
	2021	2020
	£	£
Wages and salaries	**4,877,398**	5,369,175
Social security costs	**400,307**	435,213
Pension costs	**311,000**	292,149
Redundancy and Termination Costs	**63,448**	20,937
	5,652,153	6,117,474

The key management personnel of the Charitable Company are the Chief Executive Officer, the Director of Care, the Director of Finance and Corporate Services, the Director of Income Generation and the Director of Lottery. The employee benefits of key management personnel for the year totalled £366,929 (2020: £383,818). During the year there have been no ex-gratia payments to staff.

b) Staff numbers

	2021	2020
	No.	No.
Care Staff	**92**	103
Donations & Legacies	**27**	28
Retail Staff	**55**	68
Lottery staff	**17**	18
Central services	**22**	22
	213	230

c) Higher paid staff

The number of employees whose gross emoluments fall within each band of £10,000 from £60,000 upwards are as follows:

	2021	2020
	No.	No.
£60,001 to £70,000	**1**	1
£70,001 to £80,000	**2**	1
£80,001 to £90,000	**-**	-
£90,001 to £100,000	**-**	1
£100,001 to £110,001	**-**	-

The Charitable Company also made pension contributions on behalf of the above employees totalling £27,519 (2020: £35,287) which have not been included within the banding categories above.

13. TAXATION

As a registered charity, Tŷ Hafan is entitled to the exemptions from taxation in respect of income and capital gains received within Sections 478 - 489 of the Corporation Tax Act 2010 and section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that these are applied to its charitable objects purposes only.

The trading subsidiary, Tŷ Hafan Trading Limited, has utilised previous taxation losses against taxable profit for the year and hence there are no amounts chargeable to corporation tax.

The trading subsidiary, Crackerjackpot Limited, has gifted taxable profits arising during the year to its charitable parent Tŷ Hafan Limited and hence there are no amounts chargeable to corporation tax.

As a consequence of the above, no tax charges have arisen in the group.

14. CHARITABLE COMPANY RESULTS

The Charitable Company has taken advantage of Section 408 of the Companies Act 2006 and has not included its own income and expenditure account in these financial statements. The results of Tŷ Hafan (the Charitable Company) are summarised below:

	2021	2020
	£	£
Total incoming resources	**8,285,776**	7,451,488
Total resources expended	**(7,642,451)**	(8,332,955)
Net incoming resources	**643,325**	(881,467)
Net unrealised investment gain/(loss)	**2,193,209**	(1,112,361)
Net movement in funds	**2,836,534**	(1,993,828)
Funds:		
As 1 April 2020	**15,869,824**	17,863,652
At 31 March 2021	**18,706,358**	15,869,824

The above results include £820,380 (2020: £823,707) in gift aid donations received by the Charitable Company from its trading subsidiary Crackerjackpot Limited.

15. TANGIBLE FIXED ASSETS

Group and Charity

	Freehold Land and Buildings	Fixtures and Fittings	Equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 April 2020	7,520,450	1,164,506	438,884	106,898	**9,230,738**
Additions	823,982	45,489	134,886	-	**1,004,357**
Revaluations	-	-	-	-	-
Disposals	(426,826)	-	(9,446)	-	**(436,272)**
At 31 March 2021	7,917,606	1,209,995	564,324	106,898	**9,798,823**
Depreciation					
At 1 April 2020	2,062,873	1,005,154	290,274	83,492	**3,441,793**
Charge for the year	202,051	59,880	77,578	5,852	**345,361**
Revaluations	-	-	-	-	-
Disposals	(186,346)	-	-	-	**(186,346)**
At 31 March 2021	2,078,578	1,065,034	367,852	89,344	**3,600,808**
Net Book Value					
At 31 March 2021	**5,839,028**	**144,961**	**196,472**	**17,554**	**6,198,015**
At 31 March 2020	**5,457,577**	**159,352**	**148,610**	**23,406**	**5,788,945**

16. FIXED ASSET INVESTMENTS

Total fixed asset investments comprise:

	2021		2020	
	Group	**Charity**	Group	Charity
	£	£	£	£
Interests in subsidiary undertakings	-	**10,001**	-	10,001
Market value of other fixed asset investments	**12,530,466**	**12,530,466**	10,664,014	10,664,014
	12,530,466	**12,540,467**	10,664,014	10,674,015

FIXED ASSET INVESTMENTS (CONTINUED)

Interests in group undertakings

At 31 March 2021, the Charitable Company held 100% of the allotted ordinary share capital of the following subsidiaries:

	Country of Incorporation	Class of Share Capital Held	Company Number	Nature of Business	Capital and Reserves £	Result for the Financial Year £
Tŷ Hafan Trading Limited	England & Wales	Ordinary shares	05129825	Trading Merchandise	12,182	(13,976)
Crackerjackpot Limited	England & Wales	Ordinary shares	08221671	Lottery Operations	10,000	-

Other fixed asset investments were held as follows:

	2021 Group and Charity £	2020 Group and Charity £
Listed Investments		
Market value at 1 April	**10,664,014**	11,826,182
Additions	**9,462,878**	1,597,397
Disposals	**(9,823,889)**	(1,925,041)
Cash movement	**34,254**	277,837
Revaluation	**2,193,209**	(1,112,361)
Market value at 31 March	**12,530,466**	10,664,014
Cash included in total	**680,814**	648,100
Historical cost	**11,554,921**	9,937,105

The market value at 31 March 2021 comprises a sum of £12,459,404 managed by Brewin Dolphin (2020: £5,053,379 managed by Barclays Plc and £5,548,756 managed by Rathbones). Also included in the market value are £71,062 (2020: £61,879) of shares which were bequeathed to the Charity taking the investment portfolio to £12,530,466 at the balance sheet date.

Income generated totalling £243,026 (2020: £323,991) was invested after deduction of management charges of £69,782 (2020: £73,799). The investments are unrestricted. During the year there were £500,000 (2020: £300,000) withdrawals from the investment portfolio to fund capital and other programme expenditure. The portfolio includes £6,630,922 (2020: £6,986,553) invested in UK investments and £5,899,544 (2020: £3,677,461) invested in overseas investments.

17. STOCKS

	2021		2020	
	Group	**Charity**	Group	Charity
	£	**£**	£	£
Retail goods held for sale	**16,302**	**-**	33,016	12,700

18. DEBTORS

	2021		2020	
	Group	**Charity**	Group	Charity
	£	**£**	£	£
Trade Debtors	**755,495**	**755,495**	34,373	28,373
Prepayments and accrued income	**364,646**	**347,598**	514,774	509,960
Due from subsidiary undertakings	**-**	**4,120**	-	52,771
Employee benefit schemes	**377**	**377**	922	922
VAT recoverable	**88,228**	**88,228**	105,409	105,409
	1,208,746	**1,195,818**	655,478	697,435

Debtors are stated after provisions for impairment of £Nil (2020: £Nil).

19. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021		2020	
	Group	Charity	Group	Charity
	£	£	£	£
Trade creditors	**219,125**	**211,203**	345,788	333,925
Owed to subsidiary undertakings	**-**	**81,282**	-	5,842
Social security and other taxes	**140,907**	**131,900**	155,962	143,627
Accruals	**204,570**	**192,890**	166,267	155,829
Deferred income	**304,569**	**148,277**	267,511	101,276
	869,171	**765,552**	935,528	740,499

CREDITORS: DEFERRED INCOME

Deferred income consists of income received in respect of future draws of the group's weekly membership lottery, and grants to be utilised in future periods.

	2021		2020	
	Group	**Charity**	Group	Charity
	£	**£**	£	£
As at 1 April	**267,511**	**101,276**	273,158	106,199
Amounts released to incoming resources	**(166,235)**	**-**	(174,673)	(7,714)
Amounts deferred in the year	**203,293**	**47,001**	169,026	2,791
As at 31 March	**304,569**	**148,277**	**267,511**	**101,276**

20. PROVISIONS FOR LIABILITIES AND CHARGES

	2021		2020	
	Group	**Charity**	Group	Charity
	£	**£**	£	£
As at 1 April	**678,625**	**678,625**	646,570	646,570
Additions	**120,977**	**120,977**	182,742	182,742
Charged during the year	**(184,239)**	**(184,239)**	(150,687)	(150,687)
As at 31 March	**615,363**	**615,363**	678,625	678,625

The nature of the Charitable Company's activities requires it to enter into lease agreements for various items of equipment, property and vehicles.

The provision relates to management's best estimate of costs in respect of such items beyond fair wear and tear for which the Charitable Company is liable under the terms of each agreement.

21. PENSION SCHEMES

The Charitable Company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the Charitable Company to the scheme and amounted to £232,863 (2020: £254,093).

There were no outstanding or prepaid contributions at either the beginning or end of the financial year.

The Charitable Company also contributes to the NHS Pension scheme, whose fund is held independently of the Charitable Company. The scheme is an unfunded defined benefit scheme but the Charitable Company is unable to identify its share of the underlying assets and liabilities.

Employer contribution rates are reviewed every four years following a scheme valuation carried out by the government actuary. On the advice of actuary, the contributions may be varied from time to time to reflect changes in the scheme's liabilities.

The last formal actuarial valuation undertaken for the NHS Pension Scheme was completed as at 31 March 2016 (published in February 2019). The primary purpose of the formal actuarial valuations is to set employer and employee contribution rates from April 2019. The Department of Health and Social Care have recently laid Scheme Regulations confirming that the employer contribution rate will increase to 20.6% of pensionable, pay from this date.

Completion of the 2020 valuation is expected from HMT in summer 2021, and the results of the 2020 valuation and the employer cost cap will be reported in the 2021- 22 NHS Pension Scheme accounts.

The contributions to this NHS scheme in the year were £88,282 (2020: £88,282)

The Charitable Company has made no employer contributions into employee personal pension schemes.

22. MOVEMENT IN FUNDS - GROUP

	Balance at 1 Apr 2020 £	Incoming resources £	Outgoing resources £	Transfers £	Unrealised gain on Investments £	Balance at 31 Mar 2021 £
Unrestricted funds						
General funds	9,760,950	8,724,790	(8,440,270)	(2,340,496)	2,193,209	**9,898,183**
Designated Funds						
Care in Community	52,827	-	(20,607)	-	-	**32,220**
Fixed Assets	4,593,730	-	-	802,261	-	**5,395,991**
Planned Deficits	-	-	-	2,136,000	-	**2,136,000**
Hospice Staff Costs	125,000	-	-	-	-	**125,000**
Transition	247,857	-	-	-	-	**247,857**
	5,019,414	-	(20,607)	2,938,261	-	**7,937,068**
Restricted funds						
Building	436,154	15,000	-	(8,117)	-	**443,037**
Hospice Equipment	52,339	9,390	(760)	-	-	**60,969**
Hospice Staff Costs	122,448	76,240	(34,775)	-	-	**163,913**
Hospice Service Users	23,809	5,240	(14,898)	-	-	**14,151**
Hospice Refurbishment	427,692	325,110	-	(589,648)	-	**163,154**
Hospice IT	-	300	(300)	-	-	**-**
Garden Works Project	38,061	1,000	(1,000)	-	-	**38,061**
Care in Community	15,110	-	(15,110)	-	-	**-**
	1,115,613	432,280	(66,843)	(597,765)	-	**883,285**
	15,895,977	9,157,070	(8,527,720)	-	2,193,209	**18,718,536**

Included within the above general funds are funds of the subsidiaries amounts to £12,182 (2020: £26,158) all of which are unrestricted.

MOVEMENT IN FUNDS - GROUP (CONTINUED)

General Funds:

General funds are available for use at the trustees' discretion in furtherance of the objectives of the Charitable Company. Included in general funds is the revaluation gain of investments to market value of £2,193,209 (2020: revaluation loss of £1,112,361).

Fund Transfers:

During the year £597,765 was transferred from restricted funds to unrestricted funds. The Hospice Refurbishment restricted funds are restricted in nature as the funds are for use specifically for the refurbishment project. Once the monies are spent, and all conditions met, the donations/grants are held for a general and not a restricted purpose. During the year £589,648 has been transferred to unrestricted funds following the satisfaction of all conditions surrounding the spend.

Restricted Funds:

The Big Lottery provided funds towards an extension to the hospice in 2015 and equipment. This fund is charged with the depreciation arising thereon.

Welsh Government provided funding towards the purchase of the hospice freehold land. This land was purchased in 2010 and has been capitalised in the financial statements.

During the year we were also kindly donated funds towards the refurbishment of the hospice, staffing for play and music therapy and towards solar panels for the hospice.

Designated Funds:

Included in the Unrestricted Funds are 3 donations received that have been designated for specific future expenditure, a total of £125,000 has been ring fenced for hospice staff costs, £32,220 for providing care in the community and a legacy donation of £247,857 which will be spent on resources to help the transition between child and adult services. There is also an allowance for the funds invested in the hospice and office building of £5,754,978 and a provision of £2,136,000 to cover planned deficits for the 2021/22 and 2022/23 financial years.

23. ANALYSIS OF NET ASSETS BETWEEN FUNDS

GROUP

	Fixed assets	Investments	Net current assets	Provision	Total
	£	£	£	£	£
Unrestricted funds	5,754,978	12,090,218	605,418	(615,363)	**17,835,251**
Restricted funds	443,037	440,248	-	-	**883,285**
Total funds	**6,198,015**	**12,530,466**	**605,418**	**(615,363)**	**18,718,536**

CHARITY

	Fixed assets	Investments	Net current assets/ (liabilities)	Provision	Total
	£	£	£	£	£
Unrestricted funds	5,754,978	12,100,219	583,239	(615,363)	**17,823,073**
Restricted funds	443,037	440,248	-	-	**883,285**
Total funds	**6,198,015**	**12,540,467**	**583,239**	**(615,363)**	**18,706,358**

24. RECONCILIATION OF INCOME/(EXPENDITURE) TO NET CASH FLOWS FROM OPERATING ACTIVITIES

	Note	2021 £	2020 £
Surplus / (Deficit) of income over expenditure		**2,822,559**	(1,998,670)
(Gains) / Losses on investments	16	**(2,193,209)**	1,112,361
Net investment income and bank interest payable	5	**(243,079)**	(324,694)
Depreciation	15	**345,361**	346,972
Disposals / Revaluation Movement	15	**249,926**	72,296
Decrease in stock	17	**16,714**	1,828
Increase in debtors	18	**(553,268)**	185,385
Decrease in creditors	19	**(66,357)**	23,304
Movement in provision for liabilities and charges	20	**(63,262)**	32,055
Net cash outflow from operating activities		**315,385**	(549,163)

25. CAPITAL COMMITMENTS

As at 31 March 2021, the Charity had capital commitments totalling £313,790 (2020: £761,321) for the hospice refurbishment which commenced in January 2020.

26. OPERATING LEASE COMMITMENTS

As at 31 March 2021, the group had annual commitments under non-cancellable operating lease arrangement as follows:

	2021		2020	
	Group £	Company £	Group £	Company £
Land and Buildings				
Leases expiring within one year	243,341	243,341	425,583	425,583
Leases expiring within 2 to 5 years	336,258	336,258	886,875	886,875
Leases expiring within greater than 5 years	0	0	78,500	78,500
	579,599	579,599	1,390,958	1,390,958
Other Operating				
Leases expiring within one year	12,216	12,216	29,524	29,524
Leases expiring within 2 to 5 years	4,430	4,430	47,312	47,312
Leases expiring within greater than 5 years	-	-	-	-
	16,646	16,646	76,836	76,836

27. LEGAL CHARGE

The Charitable Company has entered into a covenant with the New Opportunities Fund to discharge all monies and liabilities which shall from time to time be due as set out in the grant contract. As part of the agreement to award the Charitable Company a grant to fund the building of the new Hospice extension as continuing security for the payment and discharge of the liabilities, the New Opportunities Fund have been granted a first legal mortgage over the land and premises at Sully, Penarth, which has a net book value of £5,839,028 (2020: £5,457,577), and the Charitable Company assigns to the fund by way of first fixed equitable charge each and all of the insurance and all future easements and other rights at any time vested in or conferred on the Charitable Company in connection with or otherwise for the benefit of the property.

28. CONTINGENT LIABILITY

Sale of Land
As part of the agreement to purchase the freehold of the land on which the hospice is built an overage agreement applies to future development which is payable to the previous freeholder. The restriction is in place until 2035. It is not possible at this time to quantify any contingent liability arising.

29. MEMBERS' LIABILITY

The Charitable Company is a private company limited by guarantee and consequently has no share capital. Each of the members is liable to contribute an amount not exceeding £1 towards the assets of the Charitable Company in event of liquidation.

30. RELATED PARTY DISCLOSURES

The Charitable Company is exempt from disclosing transactions with its subsidiaries under the provisions of FRS 102, as the subsidiaries are 100% controlled by the Charitable Company.

31. INDEMNITY INSURANCE

The group has taken out Charity and Charity Trustees Indemnity Insurance at a cost of £498 (2020: £498).