

Registered Charity Number: 1076958

Company Number: 03809663

Bluebell Wood Children's Hospice

(A Company Limited by Guarantee)

Trustees' Report and Financial Statements

for the year ended 31 March 2021



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Bluebell Wood Children's Hospice

Charity Information

Trustees

D Wilkin (Chair)	Appointment (6 th July 2020)
S Allen	
C Davies	Appointment (5 th July 2020)
A Fowlie	
S Hall	Appointment (5 th July 2020)
A Skelton	Appointment (5 th July 2020)
R Thomas	Appointment (5 th July 2020)
R Worth	
J Lister (Previous Chair)	Resigned (5 th October 2020)
K Metcalf	Resigned (6 th July 2020)
P Seymour	Resigned (5 th October 2020)
J Wenninger	Resigned (23 rd July 2021)

Secretary

Simon Hills	Appointed (5 th October 2020)
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Senior Leadership Team

Simon Hills	CEO
Susan Wood	Director of Care
Nic Marriott	Interim Director of People and Operations

Registered charity number

1076958

Company number

03809663

Principal and registered office

Bluebell Wood Children's Hospice
Cramfit Road
North Anston
Sheffield
S25 4AJ

Auditor

Azets Audit Services Limited
Triune Court
Monks Cross Drive
York
YO32 9GZ

Bankers

The Royal Bank of Scotland plc
15 St Sepulchre Gate
Doncaster
DN1 1TF

Barclays Bank
1 St Pauls Place
121 Norfolk Street
Sheffield
S1 2JW

Investment Managers

Investec
Beech House
61 Napier Street
Sheffield
S11 SHA

Bluebell Wood Children's Hospice

Trustees' Report for the year ended 31 March 2021

The Trustees present their report, which incorporates the requirements of the Strategic Report, and the audited financial statements of the charity for the year ended 31 March 2021. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102) in preparing the annual report and financial statements of the charity.

The financial statements have been prepared in accordance with the accounting policies set out in the notes to the accounts and comply with the charity's governing document, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019) (Charities SORP (FRS102)), the Financial Reporting Standard applicable in the UK and Ireland (FRS102).

Introduction

In 2020/21 we supported 320 children with life-threatening and life-shortening conditions and their families across South Yorkshire, North Nottinghamshire, North Derbyshire and North Lincolnshire. This support included 177 nights, 4248 hours of respite at our hospice and 116 nights of specialist end-of-life care. We accepted 53 new referrals during the 2020/21.

Our vital services don't just stop at the hospice doors, or with the death of a child. Alongside our work at the hospice, during 2020/21, we helped 80 families with counselling – 1,481 sessions both at the hospice and in families' own homes and delivered 75 short breaks in families' homes.

In 2020 – 2021 we also delivered:

280 hours of music therapy supporting 27 children
120 hours of sibling support supporting 35 siblings
140 hours of family support sessions supporting 42 families

Our motto is "Living with love and laughter" and every day we help families make the most of their time together; whether that's hours, days, weeks, months or years. We do this at the hospice, in families' homes, at schools and in hospitals.

This report covers our financial review for 2020-2021, and we are proud to say that for every £1 that is given to us through donations and fundraising activities, 70p is spent on providing care and charitable activities to children and families going through unimaginably tough times.

Where our income comes from, financial highlights

Overall, our income for this period has increased by £727k (+14.5%) to a total of £5.742 million. This is mainly due to the increase achieved in income from charitable activities and the Hospice Lottery.

Overall, total expenditure has decreased by £515k (-10.2%) Wages and associated staff costs have decreased by £75k (-2.33%). Expenditure on fundraising and marketing costs has however increased in order to generate additional income streams through the Hospice Lottery. In 2020/21, the Hospice managed the lottery internally, hence an increase in staff time to manage the service.

In 2020/21 we received £90k (2020: £180k) of our funding from NHS England, £617k (2020: £674K) from local NHS commissioning bodies, local authorities and government, £461k (2020: nil) from Hospice UK Covid 19 emergency funding and £91k (2020: nil) from the CJRS furlough scheme. This represents less than 22% of our total income, meaning over 78% of our income is generated through our fundraising and charity shops.

In 2020-21 we received donations and legacies income of £3.165m (2020: £2.390m).

Bluebell Wood Children's Hospice

Trustees' Report for the year ended 31 March 2021

We make sure we have sufficient reserves to be able to run our services where there are fluctuations in income such as variations in the level of legacies we receive from one year to the next.

The table below shows our income over the past 5 years.

£'m	2017	2018	2019	2020	2021
Donations/Fundraising	1.9	2.0	1.9	1.6	0.9
Legacy	0.3	0.5	0.4	0.8	2.3
Charity shop trading	0.9	0.7	0.7	0.6	0.1
Care income	0.5	0.4	0.9	0.9	0.7
Events and other	0.2	0.2	0.5	0.2	0.2
Lottery	0.1	0.2	0.5	0.7	0.7
Investment income	0.2	-	0.2	0.2	0.1
Government Funding	-	-	-	-	0.7
	4.1	4.2	4.6	5.0	5.7

Where the money is spent

Our total expenditure on charitable activities for the year was £2.452m (2020: £2.411m) and £1.817m raising funds (2020: £1.293m). The increase in fundraising spend is largely a result of the introduction of lottery canvassers to help generate more lottery income.

The next table shows the detail of our charitable activities spend over the past 5 years.

£'000	2017	2018	2019	2020	2021
Salaries	2,088	2,191	1,931	1,575	1,621
Facilities	140	146	195	130	146
Asset depreciation/ loss on disposal	184	217	170	171	236
Care supplies	71	57	-	110	39
Medical consultant and agency staff	156	144	301	209	200
Training and recruitment	86	54	68	68	78
Other	100	116	125	148	132
	2,825	2,925	2,790	2,411	2,452

Investment Policy and Performance

Investments are held with Investec Wealth & Investment. The aim is to achieve a level of return on the funds without significant risk. The investment portfolios are categorised:

- Investec Wealth & Investment fund 1 – low to medium risk
- Investec Wealth & Insurance fund 2 – low

Trustees maintain a cautious approach to investments and do not invest directly in companies they believe are in direct contravention of our aims and objectives as a charity.

Investment income realised a net gain of £734k, versus a previous year net loss of £317k. At the end of the financial period, the charity has consolidated listed investments, valued at £6.167m (2020: £4.417m) and cash and cash equivalents of £241k (2020: £321k).

Bluebell Wood Children's Hospice

Trustees' Report for the year ended 31 March 2021

Reserves policy

We aim to maintain sufficient free reserves to meet the ongoing running costs of the hospice for 9 - 12 months. This level of reserves makes sure we can cover any gap between funds raised and the ongoing costs as well as to cover for any emergency requirement for funding. The Group has £8.187m (Charity £8.7m, Trading -£520k) (2020: £6.1m (Charity £6.4m, Trading -£300k)) of free reserves which provides us with a higher level of cover than the reserves policy, to support our running costs. This ensures we can provide a consistently high quality of service 24/7 and not have to adjust our service to match income flows. This ensures we can provide a consistently high quality of service 24/7 and not have to adjust our service to match income flows. In the financial period the charity reviewed its reserves policy in line with the latest guidance from the Charity Commission. This is to ensure that the Charity does not hold funds unnecessarily and above a level required, to meet the charities planned activities and to provide some protection against any unforeseen circumstances.

Risk Management

We have a risk management policy and risk register to enable the identification, monitoring and establishment of controls to mitigate risks. We assess the likelihood and potential impacts of risks and ensure controls are in place to mitigate against those risks. Trustee sub committees, Clinical Governance, Finance and Resources, and Remuneration and Nominations, consider risks on a quarterly basis as well as reviewing monitoring data for emerging trends or patterns to support risk management. The key risks are:

- **Fundraising income insufficient to cover the running costs of the hospice**
Our fundraising strategy, experienced team, and wide spread of types of fundraised income all mean we are not reliant on one type of income. We hold reserves in line with our Reserves policy.
- **Failure of care quality commission audit**
We were rated good at the last unannounced inspection, with an outstanding care rating. We have regular and robust reviews, audit, training, and compliance in place.
- **Inexperienced or insufficient team to care for the children and young people**
We pride ourselves on the strength of experience of our care. Training and development of specialists in children's palliative care is a key part of our strategy. We work closely with the local hospitals and have a consultant from Sheffield Children's Hospital as part of our team.
- **Safety of children and young people**
Safeguarding of people in our care is of utmost importance. The Care Quality Commission report stated that "The service was safe as the staff cared for the children and young adults and had a good understanding of the process to follow to protect and safeguard them from abuse and avoidable harm."

Bluebell Wood Children's Hospice

Trustees' Report for the year ended 31 March 2021

- **How did we do against our strategic aims and vision?**

Our vision and strategic aims for 2018 to 2021 are as follows:

- **Reach twice as many children and families.**

We remain committed to reaching more families who need us. During this year we further strengthened our Community Team, allowing families a greater choice of care and preferred place of death. We supported over 320 current families, a significant year on year rise.

- **Care for babies, children, young people and their families; giving them the support they need in the way they want it.**

We work with the national Children and Young People Advanced Care Plan Collaborative and to the National Standards Framework for Children's Palliative Care. Our extended sibling support team support more children and young people in school (specifically around coming to terms with diagnosis and bereavement). We have further extended our community short breaks, and increased music therapy hours.

- **We will have amazing people, with the knowledge, skills and values to do the best for every family that needs us.**

Bluebell Wood, like the wider health and social care sector, has felt the impact of labour shortages in key worker roles. We vary our recruitment methods but continue to recruit against our values, behaviours that underpin them and appropriate skills and competences for each role. We are proud of the team we have and how they work together to achieve a positive impact for children and families.

- **We will raise the money that we need, and always use it well.**

Our general approach is to raise funds ourselves and not to use third parties, unless for specific purposes. The only current practice is to our use of a third-party lottery canvassing company, who comply with our standards of practice. We use techniques that are ethical, legal, do not inconvenience the public, and are not detrimental to our good name or standing in the local community. All fundraising activities undertaken follow the Fundraising Regulators Code of Fundraising Practice. We have received no complaints about fundraising during the year. We have invested in developing our Lottery and now have over 12,000 regular players which we are continuing to build upon.

- **Inspire learning, good practice and innovation to improve children's palliative hospice care.**

We have remained committed to the Yorkshire and Humber Children's Palliative Care Network the network, this network is dedicated to improving palliative care across our region. Our CEO is one of four children's hospice CEOs who sit on the Executive Committee, and Dr Archana Soman, Consultant at Bluebell Wood, chairs the education group. We continue to develop our relationship with the Integrated Care System (ICS) in South Yorkshire and Bassetlaw, working collaboratively with commissioners from across the sub region to develop children's palliative care services.

Bluebell Wood Children's Hospice

Trustees' Report for the year ended 31 March 2021

- **We will tell everyone what a children's hospice is and can offer; and encourage people to use and support us.**

During this period, we had 460 pieces of press coverage in regional and national publications, with a total reach of 73,316. If we'd had to pay for this coverage it would have cost £1,228,615.

We shared our key messages with over 284,444 people on our social media platforms each month and welcomed 109,426 unique visitors to our website (a 30% year on year increase)

We used our Google Ads grant to reach 230,072 people; 14,095 of whom clicked through to our website, a click through rate of 6%.

Working with and managing change

The year has been challenging in ways we couldn't have previously imagined. We continue to navigate the impact of the global Covid 19 pandemic, adapting operations and delivering services in line with government guidelines and restrictions. We are mindful of the impact these changes had on the children, young people and families supported by Bluebell Wood but we are also proud of our achievements during this extraordinary time. The hospice remained open for end of life and complex care, and staff worked tirelessly to develop and deliver virtual services from scratch, including physio support sessions, music therapy and counselling. The team also ensured every family had direct contact via phone or video calls. Children supported by Bluebell Wood and their siblings have received activity and care packages at several times since the pandemic began to keep them engaged, curious and entertained. At the time of writing, some face-to-face support groups have resumed where these can be run in a Covid-safe way and we continue to review activity and risk assessments as we learn to live with Covid.

In September 2021, the trustees took the difficult decision to not provide further loans to Bluebell Wood Trading Company, the subsidiary which operated shops and other retail ventures in support of the Hospice. The combined impact of high street retail pressures and prolonged shop closures because of the pandemic meant the shops were no longer financially viable. The decision was taken reluctantly by trustees but in the best interests of the charity as it wasn't appropriate to continue to support a business that was loss-making. The trading company was liquidated in October 2021. Although retail sales only ever accounted for a small proportion of overall income, the shops were also a link with our communities, which we continue to maintain through community fundraising and other events.

Susan Wood, Director of Care, took semi-retirement in the autumn of 2021, leaving Bluebell Wood after 3.5 years and having led significant developments in the organisation's clinical governance and service delivery. Trustees are looking forward to working with Sarah Hawkhead as the new Director of Care. While Simon Hills, CEO, took a leave of absence, Sarah Keeton was appointed as Interim CEO to bring organisational leadership and maintain the strength of the senior leadership team.

Volunteer contribution and commitment to Bluebell Wood remains high and is another source of pride and gratitude. There are over 300 volunteers registered with us, although a number have not been able to actively participate because of restricted access to and activity at the hospice during the pandemic. There are around 20 different types of volunteer roles across the organisation, ranging from activity co-ordinators, event photography, events and gardening.

As we look forward to the year ahead, trustees are committed to developing a new strategy, work that has been delayed because of the impact of the pandemic and prioritising service continuity.

Bluebell Wood Children's Hospice

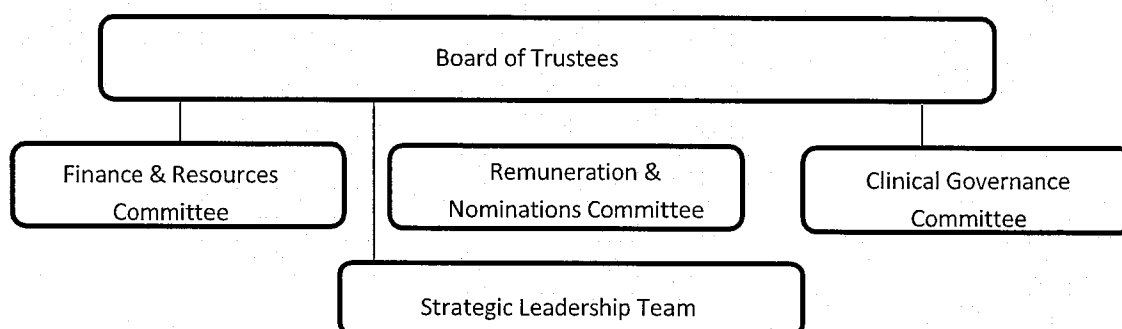
Trustees' Report for the year ended 31 March 2021

Our governance

Structure, governance and management

Bluebell Wood Children's Hospice is a charitable company limited by guarantee and governed by its Memorandum and Articles of Association. Bluebell Wood Trading Company Limited is a wholly owned subsidiary (Company number 05030414). On 12 October 2021, Bluebell Wood Trading Company Limited was placed into voluntary liquidation following difficult trading conditions and the uncertain ultimate impact of the Covid-19 pandemic.

As Trustees, we are responsible for the management of Bluebell Wood and that we deliver our charitable objectives. We have three committees: Clinical Governance; Finance and Resources; and Remuneration and Nominations. The Clinical Governance and Finance and resources Committees each meet at least quarterly and the Remuneration and Nominations Committee meets at least twice-yearly. The full board meets quarterly to receive reports from the sub committees, Chief Executive and other members of the Strategic Leadership Team.



The trustees who served during the year are set out on page 1. Trustees have the authority to appoint new trustees and at each Annual General Meeting, one third of the trustees are required to resign and may stand for re-election. New trustees undertake an induction programme both prior to and after appointment. Trustees are drawn from many areas of expertise, including health, business, and finance. During 2020/21 we recruited 5 new Trustees, existing Trustees extended their service due to the Covid 19 pandemic to allow for a smooth transition.

The trustees and the Senior Leadership Team are the people in charge of the strategic direction and operational management of Bluebell Wood. The trustees do not receive any remuneration or benefits.

Remuneration policy

Pay and benefits are set at a level to recognise the value of the role and the level of responsibility. Pay and benefits were compared to benchmarks for similar roles in the hospice and charity sector and the level set based on the experience and skills required for the roles. We remain committed to fair and affordable recognition for our staff but, given the uncertainty at the end of this financial year heading into the global pandemic, did not award a cost of living increase.

Public Benefit Statement

We provide public benefit through the operation of a children's hospice providing palliative care, respite and short breaks together with end-of-life care. This public benefit is directly related to our charitable objectives. We confirm that we follow the Charity Commission's public benefit guidance.

Bluebell Wood Children's Hospice

Trustees' Report for the year ended 31 March 2021

Reference and administrative details

Bluebell Wood Children's Hospice was founded in 1998. We are a UK registered charity and a limited company. Bluebell Wood Trading Company Limited was set up in 2004. The current objectives are as follows:

The relief of sickness, suffering and disability in the North of England, Midlands, and adjacent areas in particular:

1. To provide medical, material, emotional, educational, and spiritual care for and accommodation for children and young people suffering from life shortening and life-threatening illnesses and conditions.
2. To support the needs of members of the families of such children and young people as are occasioned by the sickness, disability or death of such children and young people in particular needs of counselling and accommodation.
3. To promote, carry out, or take part in research into palliative or other care for any terminal or chronic sickness or disability which may affect children and young people and to publish the useful results of such research.
4. To promote, encourage, provide or assist in the teaching or training of doctors, nurses, physiotherapists, administrators, social workers and other persons engaged in any branch of medicine, surgery, nursing or allied services.

Auditor

Azets Audit Services Limited were appointed auditor to the charitable company following their acquisition of the trade of Garbutt & Elliott Audit Limited on 1 December 2021. Azets Audit Services Limited have indicated their willingness to stand for reappointment at the Annual General Meeting.

Trustees' Responsibilities

The Trustees (who are also the directors for the purposes of company law) are responsible for preparing the Trustee annual report (including the strategic report) and the financial statements in accordance with applicable law and UK accounting Standards.

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

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business,
- observe the principles in the Charities SORP ,
- state whether applicable UK Accounting Standards have been followed.

The Trustees are responsible for keeping adequate accounting records which disclose, with reasonable accuracy, at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safe-guarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Bluebell Wood Children's Hospice

Trustees' Report for the year ended 31 March 2021

Disclosure of information to auditor

In so far as the Trustees are aware:

- there is no relevant audit information of which the company's auditors are unaware; and
- as Trustees we have taken all the steps that we ought to in order to make ourselves aware of any relevant audit information and to establish that the auditors are aware of that information.

In approving the Trustees' Report, we also approve the strategic report included therein, in our capacity as company directors.

On behalf of the Board

D Wilkin

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David Wilkin
Trustee

23/12/2021

Bluebell Wood Children's Hospice

Independent Auditor's Report to the Members of Bluebell Wood Children's Hospice

Opinion

We have audited the financial statements of Bluebell Wood Children's Hospice and its subsidiary (the 'group') for the year ended 31 March 2021 which comprise a Consolidated Statement of Financial activities, the Group and Charity Balance Sheets, the Consolidated Statement of Cash Flows and related Notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, 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 parent charitable company's affairs as at 31 March 2021 and of the group's incoming resources and application or resources including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

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

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Trustees' 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.

Bluebell Wood Children's Hospice

Independent Auditor's Report to the Members of Bluebell Wood Children's Hospice

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 Trustees' report (incorporating the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' report (incorporating the strategic report and the directors' report) have 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 parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and Trustees' report.

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

- adequate 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;
- the parent charitable company's financial statements are not in agreement with the accounting records and returns;
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not obtained all the information and explanations we require for our audit.

Responsibilities of the Trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the parent 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 they 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 group or parent charitable company or to cease operations, or have no realistic alternative but to do so.

Bluebell Wood Children's Hospice

Independent Auditor's Report to the Members of Bluebell Wood Children's Hospice

Auditor's responsibilities for the audit of the financial statements

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

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

A further description of our responsibilities is available on the Financial reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

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

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, through discussion with the Trustees and other management, and from inspection of the charity's regulatory and legal correspondence. We discussed with the Trustees and other management the policies and procedures regarding compliance with laws and regulations. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance during the audit.

The group and parent charitable company are subject to laws and regulations that directly affect the financial statements including company law, charity law, financial reporting legislation, pensions legislation, taxation legislation and further laws and regulations that could indirectly affect the financial statements, comprising safeguarding, medicines regulation, environmental, health and safety and employment legislation, and, in the current economic climate, Covid regulations. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any. These procedures did not identify any potentially material actual or suspected non-compliance.

To identify risks of material misstatement due to fraud we considered the opportunities and incentives and pressures that may exist within the group and the parent charitable company to commit fraud. Our risk assessment procedures included: enquiry of Trustees and other management to understand the high level policies and procedures in place to prevent and detect fraud, reading Board minutes and considering performance targets and incentive schemes in place for management. We communicated identified fraud risks throughout our team and remained alert to any indications of fraud during the audit.

As a result of these procedures we identified the greatest potential for fraud in the following areas:

- income recognition and in particular completeness, the risk that income is recognised in the wrong reporting period, or that restricted income is incorrectly recognised within unrestricted income; and
- subjective accounting estimates.

These risks arise due to a potential desire to present the results in a differing light to suit management objectives. As required by auditing standards we also identified and addressed the risk of management override of controls.

Bluebell Wood Children's Hospice

Independent Auditor's Report to the Members of Bluebell Wood Children's Hospice

We performed the following procedures to address the risks of fraud identified:

- identifying and testing high risk journal entries through vouching the entries to supporting documentation;
- assessing significant accounting estimates for bias;
- testing the recognition of income and in particular that it was recognised in the correct period and any restrictions recognised; and
- testing the control environment around cash takings, including segregation of duties and cash reconciliations.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Use of Our Report

This report is made solely to the parent charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the parent 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 parent charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Azets Audit Services Limited

Laura Masheder (Senior Statutory Auditor)
For and on behalf of Azets Audit Services Limited

23/12/2021
.....

Chartered Accountants
Statutory Auditor

Triune Court
Monks Cross Drive
York
YO32 9GZ

Bluebell Wood Children's Hospice

Consolidated Statement of Financial Activities (incorporating an Income and Expenditure Account) for the year ended 31 March 2021

	Notes	Unrestricted funds £000's	Restricted funds £000's	2021 Total £000's	2020 Total £000's
Income from:					
Donations, grants and legacies	3	3,067	98	3,165	2,390
Charitable activities	4	798	461	1,259	854
Fundraising and trading activities	5	1,138	-	1,138	1,540
Investment income	6	139	-	139	142
Sundry income		41	-	41	89
Total income		5,183	559	5,742	5,015
Expenditure on:					
Charitable activities	7	(1,940)	(512)	(2,452)	(2,411)
Raising funds - trading	7	(493)	-	(493)	(816)
Raising funds - fundraising	7	(1,584)	-	(1,584)	(1,817)
Total expenditure	7	(4,017)	(512)	(4,529)	(5,044)
Net income/(expenditure) before other recognised gains and losses		1,166	47	1,213	(29)
Net investment gain/(loss)		734	-	734	(317)
Net income/(expenditure) and net movement in funds		1,900	47	1,947	(346)
Reconciliation of funds					
Funds at 1 April 2020	18	10,533	86	10,619	10,965
Funds at 31 March 2021	18	12,433	133	12,566	10,619

All income and expenditure derive from continuing activities, except for income and expenditure from trading activities. In the year ended 31 March 2021, the trading income from discontinued activities totalled £273k, whilst the expenditure totalled £507k.

All gains and losses recognised in the year are included in the consolidated statement of financial activities.

A fully detailed Statement of Financial Activities for the year ended 31 March 2020 is shown in note 26.

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

Bluebell Wood Children's Hospice

Consolidated and Charity Balance Sheet as at 31 March 2021

		Group		Charity	
	Notes	2021 £000's	2020 £000's	2021 £000's	2020 £000's
Fixed assets					
Intangible assets	10	36	75	36	75
Tangible assets	11	4,061	4,217	4,051	4,177
Investments	12,13	6,167	4,417	6,167	4,417
		10,264	8,709	10,254	8,669
Current assets					
Stock		3	12	-	-
Debtors	14	1,113	1,393	1,079	1,797
Cash	15	1,691	926	1,566	800
		2,807	2,331	2,645	2,597
Liabilities falling due within one year	16	(505)	(421)	(446)	(372)
Net current assets		2,302	1,910	2,199	2,225
Net assets	18	12,566	10,619	12,453	10,894
Funds of the charity:					
Restricted	18	133	86	133	86
Unrestricted	18	12,433	10,533	12,320	10,808
Total Funds		12,566	10,619	12,453	10,894

The notes on pages 17 to 31 form part of these financial statements.

The Financial Statements were approved by the Trustees and signed on its behalf by:

DWilkin

David Wilkin

23/12/2021

Company Number: 03809663

Bluebell Wood Children's Hospice

Consolidated Statement of Cash Flow for the year ended 31 March 2021

	Note	2021 £'000	2020 £'000
Net cash from/(used by) operating activities	23	1,725	(816)
Cash flows from investing activities			
Purchase to acquire investments		(3,331)	(1,105)
Proceeds from the sale of investments		2,315	1,495
Investment income		139	142
Purchase of intangible assets		(29)	(39)
Purchase of tangible assets		(54)	(52)
Proceeds from sale of tangible assets		-	6
Net cash flow from investing activities		(960)	447
Change in cash and cash equivalents in the year		765	(369)
Cash and cash equivalents at the beginning of the year		926	1,295
Cash and cash equivalents at the end of the year	15	1,691	926

Net debt

The group had no debt either during the current or previous year.

Bluebell Wood Children's Hospice

Notes to the Financial Statements for the year ended 31 March 2021

1. Accounting policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

Company information

The Charitable Company is limited by guarantee, with the liability of members limited to £1 per member. Bluebell Wood Children's Hospice is a charity registered with the Charities Commission in England and Wales. The address of the registered office is given in the charity information on page 1 of these financial statements. The nature of the charity's operations and principal activities are to help children with life threatening and life shortening conditions and their families.

Accounting convention

The financial statements have been prepared on a going concern basis in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) ("Charities SORP (FRS 102)"), the Financial Reporting Standard applicable in the UK and Ireland (FRS 102), the Companies Act 2006 and the Charities Act 2011.

Bluebell Wood Children's Hospice meets the definition of a public benefit entity under FRS 102.

Assets and liabilities are initially recognised at cost or transaction value unless otherwise stated in the relevant accounting policy notes.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £1,000.

On the grounds that the charitable company's results are consolidated into the charitable company's group accounts the charitable company has taken advantage of certain exemptions conferred by section 1.11 of FRS 102 as follows:

- Exemption from presenting a charitable company statement of cash flows as a primary statement to the financial statements.

Going concern

Whilst the global economy has been significantly impacted by the COVID-19 virus, the charity has a significant amount of reserves and cash at bank, sufficient to meet the ongoing requirements. In addition, the charity has benefited from several government initiatives offered including the Job Retention Scheme and the Small Business Grant Fund which has helped fund the immediate requirements.

As disclosed in note 24, the subsidiary trading company was placed in voluntary liquidation on 12 October 2021, due to ongoing losses in that entity this was considered to be the only reasonable course of action by the Directors of that company. The Trustees do not consider that this liquidation materially impacts the going concern status of the group overall as the entity had not contributed positively for some years.

The Trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern. Thus the financial statements have been prepared on a going concern basis.

Basis of consolidation

The consolidated accounts incorporate the results of Bluebell Wood Children's Hospice ("Charity") and its subsidiary undertaking on a line by line basis. No separate company Statement of Financial Activities has been prepared for the Charity as permitted by Section 408 of the Companies Act 2006. The results of the charity only are disclosed in note 20 to these financial statements.

Bluebell Wood Children's Hospice

Notes to the Financial Statements for the year ended 31 March 2021

1. Accounting policies

Funds

The general fund represents the unrestricted funds which the Trustees are free to use in accordance with the charity's objects. Designated funds are unrestricted funds designated by the Trustees for specific purposes. Restricted funds are received for undertaking an activity specified by the donor. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements

Taxation

Bluebell Wood Children's Hospice is an exempt charity within the meaning of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. No corporation tax charge arises in the subsidiary due to its policy of gifting all the taxable profits to Bluebell Wood Children's Hospice.

Income

All income is included in the Statement of Financial Activities when the charity is entitled to the income, any performance conditions have been met, the receipt is probable and the amount can be measured reliably.

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

Retail income includes stock sold during the year, exclusive of value added tax.

In accordance with Charities SORP (FRS 102), the value of volunteer time is not recognised in the financial statements. Please refer to the Trustees' annual report for more information.

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

Income from goods donated for sale in the charity's shops is recognised at point of sale. As a result of the high volume of low value donated goods received by the charity, the cost of recognising these items at fair value on receipt would outweigh the benefit of recognising them in the financial statements.

Investment Income and gains

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

Dividend income from investment funds is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of dividends paid or payable.

Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following headings:

- Cost of raising funds comprise the costs associated with attracting voluntary income, and those incurred by the commercial trading operation.
- Charitable activities comprises costs of delivery services to our beneficiaries. It includes both costs that can be allocated directly to those activities and those costs of an indirect nature necessary to support them, including staffing and other overhead costs.

Bluebell Wood Children's Hospice

Notes to the Financial Statements for the year ended 31 March 2021

1. Accounting policies (continued)

- Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include administration, finance, human resources, information systems and governance costs which support the services providing care to patients and families. These costs have been allocated between the costs of raising funds and expenditure on charitable activities on the basis set out in note 7.

Irrecoverable VAT is charged as an expense against the activity for which the expenditure arose.

Fixed assets

Individual fixed assets costing more than £1,000 are capitalised and included at cost less accumulated depreciation. Depreciation is calculated to write down the cost of tangible fixed assets over their expected useful lives. The rates generally applicable are:

Freehold buildings	2% straight line
Furniture and equipment	15% straight line
Computers	25% straight line
Motor vehicles	25% straight line

A full year's depreciation charge is provided for in year of acquisition.

Freehold land is not depreciated.

Investments

Investments (other than investments in subsidiaries) are stated at market value at the balance sheet date.

The investment portfolio is held to generate returns and gains for the group and accordingly is designated as fair value through profit and loss ("FVTPL"). Under this designation the portfolio is re-valued at each period end to its fair value, as determined by reference to quoted market prices and values determined by independent fund managers, with any gains or losses going through the Statement of Financial Activities. Upon disposal of investments, the gains and losses of these are also included within the Statement of Financial Activities.

For the purposes of the cash flow statement, the short-term cash deposits held for reinvestment within investments have been treated as cash.

Investments in subsidiaries are stated at cost and the Trustees review the carrying value annually for indications of impairment.

Stock

Stock of bought in goods is valued at the lower of cost and net realisable value.

It is impractical to estimate the fair value of goods donated for sale in the charity's shops due to the high volume of these items and to include it on the balance sheet. The value of these goods to the charity is instead recognised when they are sold in the shops.

Financial instruments

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

Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity held for working capital. Bank overdrafts are shown within borrowing in current liabilities.

Bluebell Wood Children's Hospice

Notes to the Financial Statements for the year ended 31 March 2021

1. Accounting policies (continued)

Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid.

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. The impairment loss is recognised in the income and expenditure account.

Creditors, loans and provisions

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

Financial Liabilities are only derecognised when, and only when, the group's obligations are discharged, cancelled or they expire.

Amounts recognised as provisions are best estimates of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation.

Leasing and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets and are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Statement of Financial Activities so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

Operating leases

Rentals under operating leases are charged to the Statement of Financial Activities on a straight-line basis over the lease term.

Retirement benefits

The group contributes to a defined contribution scheme and a final salary scheme, the NHS pension scheme. Both schemes are accounted for as defined contribution schemes and the pension cost represents contributions payable by the group in respect of the year accounted for on an accruals basis in accordance with FRS102. All pension costs are allocated to unrestricted reserves.

2. Critical accounting estimates and areas of judgement

In the application of the group's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Bluebell Wood Children's Hospice

Notes to the Financial Statements for the year ended 31 March 2021

2. Critical accounting estimates and areas of judgement (continued)

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are outlined below.

Depreciation of tangible assets

Depreciation policies have been set according to management's experience of the useful lives of the assets in each category, something which is reviewed annually.

Legacies

Legacies are recognised as income when probate has been granted, the charity has established its entitlement to the funds and where sufficient information is available to allow it to measure its entitlement.

Recoverability of intercompany loan with trading subsidiary

The trading subsidiary, Bluebell Wood Trading Company Limited has entered a voluntary liquidation process following the year end. As it is expected that minimal or no proceeds are expected to be received by the charity from the £625k intercompany loan debtor balance, a full provision has been included within these accounts against the balance to reflect the loan's fair value.

3. Donations and legacies

	2021 £'000	2020 £'000
Donations and grants	823	1,622
Legacies	2,342	768
	3,165	2,390

We have over 600 volunteers providing their time and skills in all areas of our work. This includes care, housekeeping, catering, fundraising, gardening, finance and our support groups. We greatly value all our volunteers. A value of their donated time is not included in the financial statements in accordance with the FRS 102 SORP.

4. Charitable activities

	2021 £'000	2020 £'000
Clinical commissioning groups, local authorities and government	617	674
NHS England	90	180
Hospice UK Covid-19 emergency funding (restricted)	461	-
CJRS furlough income – Hospice employees	91	-
	1,259	854

5. Fundraising and trading activities

	2021 £'000	2020 £'000
Fundraising activities	218	182
Lottery	647	674
Total fundraising	865	856
Income from sale of donated goods	99	684
CJRS furlough income – Retail employees	174	-
	1,138	1,540

Bluebell Wood Children's Hospice

Notes to the Financial Statements for the year ended 31 March 2021

6. Investment income

	2021 £'000	2020 £'000
Investment income	139	142

7. Analysis of expenditure including governance and support costs

For the year ended 31 March 2021:	Charitable activities £'000	Retail £'000	Fundraising £'000	Total 2021 £'000
Wages and salaries	1,621	243	1,274	3,138
Premises and facilities	146	155	8	309
Depreciation and amortisation	182	12	10	204
Loss on sale of fixed assets	54	17	3	74
Fundraising and marketing	21	-	103	124
Trading	-	29	-	29
Legal and professional	13	28	11	52
Care	239	-	-	239
Administration	97	8	76	181
Motor and travel	1	1	1	3
Training and recruitment	78	-	61	139
Investment manager fees	-	-	37	37
Total expenditure	2,452	493	1,584	4,529

Support and governance costs

All governance and support costs are apportioned between the various costs of raising funds and charitable activities according to levels of direct expenditure. This method of apportionment represents a reasonable approximation of the usage of governance and support costs by each activity.

Support costs are included in the above totals as follows:

	Support costs £'000	Governance £'000	Total 2021 £'000
Wages and salaries	471	-	471
Premises and facilities	309	-	309
Depreciation and amortisation	221	-	221
Legal and professional	-	52	52
Administration	181	-	181
Motor and travel	3	-	3
Training and recruitment	139	-	139
Investment manager fees	37	-	37
Total support costs	1,361	52	1,413

Bluebell Wood Children's Hospice

Notes to the Financial Statements for the year ended 31 March 2021

7. Analysis of expenditure including governance and support costs (continued)

For the year ended 31 March 2020:	Charitable activities £'000	Retail £'000	Fundraising £'000	Total 2020 £'000
Wages and salaries	1,575	401	1,237	3,213
Premises and facilities	130	287	7	424
Depreciation and amortisation	167	28	8	203
Loss on sale of fixed assets	4	-	1	5
Fundraising and marketing	19	-	374	393
Trading	-	53	-	53
Legal and professional	44	17	36	97
Care	318	-	-	318
Administration	83	19	67	169
Motor and travel	3	11	3	17
Training and recruitment	68	-	54	122
Investment manager fees	-	-	30	30
Total expenditure	2,411	816	1,817	5,044

Support and governance costs

All governance and support costs are apportioned between the various costs of raising funds and charitable activities according to levels of direct expenditure. This method of apportionment represents a reasonable approximation of the usage of governance and support costs by each activity.

Support costs are included in the above totals as follows:

	Support costs £'000	Governance £'000	Total 2020 £'000
Wages and salaries	554	-	554
Premises and facilities	424	-	424
Depreciation and amortisation	208	-	208
Legal and professional	-	97	97
Administration	169	-	169
Motor and travel	17	-	17
Training and recruitment	122	-	122
Investment manager fees	30	-	30
Total support costs	1,524	97	1,621

Bluebell Wood Children's Hospice

Notes to the Financial Statements for the year ended 31 March 2021

8. Staff costs

	2021 £'000	2020 £'000
Salaries	2,727	2,812
Pension cost	174	175
Employer's national insurance	233	213
Redundancy payments	4	13
	3,138	3,213

No employee (2020: one) had a salary and benefits (excluding pension) between £60,001 and £70,000.

Two employees (2020: one) had a salary and benefits (excluding pension) between £80,001 and £90,000.

The key management personnel comprise the Trustees and the strategic management team. The total pay and employee benefits of the strategic management team (including the CEO, Head of Communications, Director of Care, Head of Care, Head of Family Support & Wellbeing Services, Head of Facilities and Estates, Head of IT, Head of Fundraising and Head of Finance), as detailed on the charity information page, was £558k (2020: £471k).

The Trustees received no remuneration or other benefits in this or the previous financial year. Travel expenses of £nil (2020: £1,634) were reimbursed.

Average number of employees

	2021	2020
Care	52	61
Support	46	72
Retail	18	35
	116	168

The full-time equivalent number of employees were:

	2021	2020
Care	46	61
Support	44	68
Retail	17	26
	107	155

9. Net income

Net income is stated after:

	2021 £'000	2020 £'000
Depreciation and amortisation	204	203
Auditor's remuneration	11	9
Loss on disposal of fixed assets	57	5
Operating lease rentals – property	113	154
Operating lease rentals – plant and equipment	10	6

Bluebell Wood Children's Hospice

Notes to the Financial Statements for the year ended 31 March 2021

10. Intangible Fixed Assets

Group and Charity	Software £000's
Cost	
At 1 April 2020	112
Additions	29
Disposals	(72)
At 31 March 2021	69
Amortisation	
At 1 April 2020	37
Charge for year	17
On disposals	(21)
At 31 March 2021	33
Net book values	
At 31 March 2021	36
At 31 March 2020	75

11. Fixed assets

Group	Land and buildings £'000	Computers £'000	Motor vehicles £'000	Fixtures & equipment £'000	Total £'000
Cost					
As at 1 April 2020	5,268	67	79	904	6,318
Additions	-	47	-	7	54
Disposals	(4)	(8)	-	(163)	(175)
At 31 March 2021	5,264	106	79	748	6,197
Depreciation					
As at 1 April 2020	1,237	19	75	770	2,101
Charge for the year	106	20	4	57	187
Disposals	(1)	(7)	-	(144)	(152)
As at 31 March 2021	1,342	32	79	683	2,136
Net book value					
As at 31 March 2021	3,922	74	-	65	4,061
As at 31 March 2020	4,031	48	4	134	4,217

Bluebell Wood Children's Hospice

Notes to the Financial Statements for the year ended 31 March 2021

11. Fixed assets (continued)

Charity	Land and buildings £'000	Computers £'000	Motor vehicles £'000	Fixtures & equipment £'000	Total £'000
Cost					
As at 1 April 2020	5,268	67	42	698	6,075
Additions	-	47	-	7	54
Disposals	(4)	(8)	-	(62)	(74)
At 31 March 2021	5,264	106	42	643	6,055
Depreciation					
As at 1 April 2020	1,237	18	39	604	1,898
Charge for the year	106	20	3	45	174
Disposals	(1)	(7)	-	(60)	(68)
As at 31 March 2021	1,342	31	42	589	2,004
Net book value					
As at 31 March 2021	3,922	75	-	54	4,051
As at 31 March 2020	4,031	49	3	93	4,177

12. Listed Investments

Group and Charity	2021 £'000	2020 £'000
At 1 April 2020	4,417	5,124
Purchase at cost	3,331	1,105
Proceeds from sale of investment	(2,315)	(1,495)
Net investment gains/(losses)	734	(317)
Value at 31 March 2021	6,167	4,417
Listed investments	6,167	4,417
Cash and cash equivalents (note 15)	241	321
	6,408	4,738

The historic cost of investments at 31 March 2021 was £5,575k (2020: £4,322k).

13. Unlisted Investments

Charity	2021 £	2020 £
Cost		
Investment in subsidiary	100	100

The investment represents the 100% ownership and control of Bluebell Wood Trading Company Limited. (Company number 05030414).

Subsidiary Trading Company

	2021 £'000	2020 £'000
The results and net assets are:		
Turnover	99	808
Expenditure	(507)	(831)
Other operating income	174	-
Profit/ (loss) for the year	(234)	(23)
Assets	176	350
Liabilities	(685)	(625)
Net liabilities	(509)	(275)

Bluebell Wood Children's Hospice

Notes to the Financial Statements for the year ended 31 March 2021

14. Debtors

	Group		Charity	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Amounts due from subsidiary	-	-	-	576
Accrued income	838	769	826	644
Trade debtors	23	324	22	318
Prepayments	56	94	41	62
VAT recoverable	194	204	189	197
Other debtors	2	2	1	-
	1,113	1,393	1,079	1,797

A balance of £625k was owed from the trading subsidiary at 31 March 2021. However, following that company entering voluntary liquidation post year end, a provision of £625k has been included within the charity's financial statements against this balance, therefore making the year end carrying value of this balance £nil.

15. Cash

	Group		Charity	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Cash held in investments	241	321	241	321
Cash at bank	1,450	605	1,325	479
	1,691	926	1,566	800

16. Creditors: falling due within one year

	Group		Charity	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Trade creditors	164	228	135	197
Accruals and other creditors	87	70	60	57
Tax and national insurance	59	59	56	54
Deferred income	195	64	195	64
	505	421	446	372

17. Deferred income

	2021 £'000	2020 £'000
At 1 April 2020	64	53
Additions during the year	195	64
Amounts released to income	(64)	(53)
At 31 March 2021	195	64

Deferred income relates to fundraising, lottery and grant income received in advance.

Bluebell Wood Children's Hospice

Notes to the Financial Statements for the year ended 31 March 2021

18. Statement of funds

For the year ended 31 March 2021	1 April 2020 £'000	Income £'000	Expenses £'000	Transfers £'000	Net investment gains £'000	At 31 March 2021 £'000
Unrestricted						
Free reserves						
Charity	6,408	4,827	(3,261)	-	734	8,708
Trading	(316)	274	(479)	-	-	(521)
Fixed asset reserves	4,292	82	(277)	-	-	4,097
	10,384	5,183	(4,017)	-	734	12,284
Designated						
Building	51	-	-	-	-	51
IT	97	-	-	-	-	97
People	1	-	-	-	-	1
	149	-	-	-	-	149
Total unrestricted funds	10,533	5,183	(4,017)	-	734	12,433
Restricted						
Hospice UK Covid funding	-	461	(461)	-	-	-
Other	86	98	(51)	-	-	133
Total restricted funds	86	559	(512)	-	-	133
Total funds	10,619	5,742	(4,529)	-	734	12,566

For the year ended 31 March 2020	1 April 2019 £'000	Income £'000	Expenses £'000	Transfers £'000	Net investment (losses) £'000	At 31 March 2020 £'000
Unrestricted						
Free reserves						
Charity	5,688	4,066	(3,883)	854	(317)	6,408
Trading	(322)	809	(803)	-	-	(316)
Fixed asset reserves	4,415	-	(208)	85	-	4,292
	9,781	4,875	(4,894)	939	(317)	10,384
Designated						
Building	51	-	-	-	-	51
IT	70	27	-	-	-	97
Strategy	939	-	-	(939)	-	-
People	1	-	-	-	-	1
	1,061	27	-	(939)	-	149
Total unrestricted funds	10,842	4,902	(4,894)	-	(317)	10,533
Restricted						
Match Room Sport	35	83	(118)	-	-	-
Other	88	30	(32)	-	-	86
Total restricted funds	123	113	(150)	-	-	86
Total funds	10,965	5,015	(5,044)	-	(317)	10,619

Designated reserves are unrestricted funds set aside for future spend and development of the Hospice in the areas of building development, IT, People and Strategy. Transfers have been made in the year as designated funds have been utilised.

Restricted funds are funds which are used in accordance with specific restrictions imposed by the donor. Hospice UK provided restricted emergency funding in relation to the Covid-19 pandemic, that was to be only used for the direct provision of hospice related services.

Within Other restricted funds, there was one restricted fund balances over £10k at the year end. In the year, there were two restricted receipts over £10k; one for £30k gifted to fund a staff Christmas party; and one for £35k to contribute to family activities at Christmas. During the prior year, assets bought by restricted funds have been transferred to the fixed asset reserve.

Bluebell Wood Children's Hospice

Notes to the Financial Statements for the year ended 31 March 2021

19. Analysis of net assets between funds

Group	Restricted funds	Designated funds	Unrestricted fixed asset fund	Free reserves	Total 2021
As at 31 March 2021	£'000	£'000	£'000	£'000	£'000
Fixed assets	-	-	4,097	-	4,097
Investments	-	-	-	6,167	6,167
Current assets	133	149	-	2,525	2,807
Current liabilities	-	-	-	(505)	(505)
	133	149	4,097	8,187	12,566

Charity	Restricted funds	Designated funds	Unrestricted fixed asset fund	Free reserves	Total 2021
As at 31 March 2021	£'000	£'000	£'000	£'000	£'000
Fixed assets	-	-	4,087	-	4,087
Investments	-	-	-	6,167	6,167
Current assets	133	149	-	2,363	2,645
Current liabilities	-	-	-	(446)	(446)
	133	149	4,087	8,084	12,453

Group	Restricted funds	Designated funds	Unrestricted fixed asset fund	Free reserves	Total 2020
As at 31 March 2020	£'000	£'000	£'000	£'000	£'000
Fixed assets	-	-	4,292	-	4,292
Investments	-	-	-	4,417	4,417
Current assets	86	149	-	2,096	2,331
Current liabilities	-	-	-	(421)	(421)
	86	149	4,292	6,092	10,619

Charity	Restricted funds	Designated funds	Unrestricted fixed asset fund	Free reserves	Total 2020
As at 31 March 2020	£'000	£'000	£'000	£'000	£'000
Fixed assets	-	-	4,252	-	4,252
Investments	-	-	-	4,417	4,417
Current assets	86	149	-	2,362	2,597
Current liabilities	-	-	-	(372)	(372)
	86	149	4,252	6,409	10,894

20. Income and expenditure of the charity

The Consolidated Statement of Financial Activities is for the group as a whole. A separate Statement of Financial Activities for the charity itself is not presented because it has taken advantage of the exemptions afforded by Section 408 of the Companies Act 2006.

The results of the Charity are as follows:

	2021 £'000	2020 £'000
Total income	5,486	4,221
Total expenditure	(4,661)	(4,226)
Total net investment gains/(losses)	734	(317)
Net surplus/(deficit)	1,559	(322)

Bluebell Wood Children's Hospice

Notes to the Financial Statements for the year ended 31 March 2021

21. Pension commitments – Group

The charity contributes to two pension schemes for the employees, both of which are treated as defined contribution schemes and the pension costs are the contribution to the schemes as disclosed in note 8. All pension payments are from unrestricted reserves.

The group personal pension scheme with Royal London is a defined contribution scheme. The pension cost charge for the year amounted to £94k (2020: £79k).

Eligible staff are able to remain in the NHS Pensions Scheme as if they were still in the employment of an employing authority. The NHS Pension Scheme is an unfunded occupational pension scheme backed by the Exchequer, which is open to all NHS employees and employees of approved organisations. The scheme provides pensions, based on final salary, in varying circumstances for employees of participating employers. The scheme receives contributions from employers and employees to defray the costs of pensions and other benefits. The scheme is subject to a full actuarial valuation every four years and an accounting valuation every year. Details of benefits payable, and the basis for valuations under these provisions can be found on the NHS Pensions website at www.nhsbsa.nhs/pensions.

In the year ended 31 March 2021, the charity made contributions to the NHS Pension Scheme totalling £80k (2020: £95k). Employer contributions were 20.68% and employee contributions were in the range of 5% to 13.5% of pensionable pay.

At the year end, pension contributions totalling £26k (2020 - £28k) were unpaid.

22. Operating lease commitments – Group

Amounts falling due:	Other		Land and buildings	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Within one year	7	7	52	63
Between two and five years	3	10	179	176
After more than five years	-	-	6	33
	10	17	237	272

23. Reconciliation of cash flow from operating activities – Group

	2021 £'000	2020 £'000
Net income/(expenditure) before other recognised gains/(losses)	1,213	(29)
Investment income	(139)	(142)
Amortisation	17	15
Depreciation	187	188
Loss on disposal of fixed assets	74	5
Decrease in stock	9	10
(Increase)/decrease in debtors	280	(996)
Increase in creditors	84	133
Net cash inflow/(outflow) from operating activities	1,725	(816)

24. Post balance sheet event

On 12 October 2021, Bluebell Wood Trading Company Limited, the charitable company's trading subsidiary, was placed into voluntary liquidation. Difficult trading conditions combined with the ongoing and uncertain ultimate impact of the Covid-19 pandemic made it unlikely that the company would return to trading profitably in the short term.

Bluebell Wood Children's Hospice

Notes to the Financial Statements for the year ended 31 March 2021

25. Related party transactions

During the year, Bluebell Wood Children's Hospice conducted the following transactions with its subsidiary, Bluebell Wood Trading Company Limited:

At 31 March 2021, Bluebell Wood Children's Hospice was due £625k from Bluebell Wood Trading Company Limited (2020: £576k). Interest is charged at 3% on the loan and has been accrued as at the year end. As disclosed in note 24, that company entered into voluntary liquidation post year end. Accordingly the charity has provided fully against this loan such that the carrying value at the balance sheet date is £nil.

There were no transactions between the charity and its Trustees during the year that required disclosing as related party transactions under FRS 102, other than those disclosed in note 8.

26. Comparative Consolidated Statement of Financial Activities

	Unrestricted funds £000's	Restricted funds £000's	2020 Total £000's
Income from:			
Donations, grants and legacies	2,277	113	2,390
Charitable activities	854	-	854
Fundraising and trading activities	1,540	-	1,540
Investment income	142	-	142
Sundry income	89	-	89
Total income	4,902	113	5,015
Expenditure on:			
Charitable activities	(2,261)	(150)	(2,411)
Raising funds - trading	(816)	-	(816)
Raising funds - fundraising	(1,817)	-	(1,817)
Total expenditure	(4,894)	(150)	(5,044)
Net income/(expenditure) before other recognised gains and losses	8	(37)	(29)
Net investment (loss)	(317)	-	(317)
Net (expenditure) and net movement in funds	(309)	(37)	(346)
Reconciliation of funds			
Funds at 1 April 2019	10,842	123	10,965
Funds at 31 March 2020	10,533	86	10,619