

Charity Registration No. 1003859  
Company Registration No. 2588103

HOPE HOUSE CHILDREN'S HOSPICES

TRUSTEE'S REPORT AND CONSOLIDATED  
FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020



**HOPE HOUSE CHILDREN'S HOSPICES**  
(A company limited by guarantee)

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for the Year Ended 31 December 2020

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# HOPE HOUSE CHILDREN'S HOSPICES

(A company limited by guarantee)

## REFERENCE AND ADMINISTRATIVE DETAILS FOR THE YEAR ENDED 31 DECEMBER 2020

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### Trustees

#### Appointed Officers of the Board

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

#### Members of the Board

Graeme Harkness	Retired Head Teacher (appointed 1 July 2020)
Christopher C Hudson	Retired HR Professional
Dr Supriya Kapas	Quality Assurance Pharmacist (appointed 12 April 2021)
Andrew Morris	Company Director (appointed 1 July 2020)
Gary Morton	Group Chief Executive (appointed 1 July 2020)
Dr David Sharp	General Practitioner
Kelly Stant	Solicitor (appointed 1 July 2020)
Dr Jean B Watt	Retired Consultant Paediatrician
Janette M Welch	Retired Company Director (resigned 16 September 2020)
Meinir A Wigley	Communications Manager

#### Independent Directors of Hope House (Trading) Limited

W Andrew Fergus  
Andrew T Goldsmith

#### Independent Directors of Hope House (Lottery) Limited

Stephen R Henly	
Philip R Inch	
Gary Morton	Appointed 16 September 2020
Meinir A Wigley	Appointed 16 September 2020
Janette M Welch	Resigned 16 September 2020

#### Company registered number

2588103

#### Charity registered number

1003859

#### Registered office

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

#### Company secretary

Andrew T Goldsmith

#### Chief executive officer

Andrew T Goldsmith

#### Senior management team

Simi Epstein	Director of Fundraising and Marketing
Karen Wright	Director of Care
Andrew Fergus	Commercial Director

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**REFERENCE AND ADMINISTRATIVE DETAILS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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**Administrative details (continued)**

**Independent auditors**

McLintocks (NW) Limited, 2 Hilliards Court, Chester Business Park, Chester, CH4 9PX

**Bankers**

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

**Solicitors**

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

**Investment manager**

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

**Investment advisor**

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

**HOPE HOUSE CHILDREN'S HOSPICES**  
(A company limited by guarantee)

**LETTER FROM THE CHAIR  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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2020 has undoubtedly been a difficult year for everyone in all walks of life. As the pandemic took hold we reacted rapidly, many staff were furloughed as some services and activities were suspended. Our care teams had to adapt, innovate and learn new ways of working to ensure COVID safe and effective practices for themselves, the children and families we support. At the height of the response we continued to provide end of life care, care after death and crisis care. Towards the end of the year we were able to re-open planned respite in the hospices.

To meet the needs of families shielding, we introduced a virtual hospice support service and transformed our counselling service into a virtual service to great effect. To support the NHS, we adapted our priorities of Care to enable rapid discharge of children and to free up NHS capacity. None of this would have been possible were it not for the dedication and commitment shown by the whole Care Team who have gone more than the extra mile this year to continue to provide outstanding levels of care and support.

Despite the pandemic, significant progress, investment and several key appointments were made during the year to support the implementation and roll-out of our Care and Fundraising strategies agreed by the Board in December 2019.

Many fundraising events we had planned for the year were cancelled. Regular highlights in the fundraising calendar are unlikely to return in 2021. Despite this our fundraising, lottery and trusts team reacted rapidly and attained a remarkable 92% of the target we had set prior to the onset of the pandemic. This is an outstanding achievement and is testimony to our exceptional supporters and to the resilience and determination of a remarkable fundraising team that have adapted to think and act in new ways.

During the year we received circa £1.76m in Job Retention Scheme grants, business support grants and COVID government funding for hospices which brought welcome stability.

Our retail arm had an extremely difficult year losing nearly half of their expected trading days. When allowed to open, footfall recovered and results were encouraging. Morale amongst the team has remained high and during periods of closure, members of the team volunteered their time to support the hospices in other ways.

Several of the adaptations we have had to make have enhanced the services we are able to provide and allowed us to reach more families. These changes will not be lost as we return and focus on the future. Digital transformation to create an agile, data driven service, which was underway before the crisis began, has accelerated across the organisation and is a key priority for 2021.

Our ambition to raise an additional £2.5 million each year to reach every child, mum, dad, brother and sister who need us is unchanged. We face an enormous challenge ahead; our ability to fundraise will be constrained for some time, whilst our priority to deliver the highest quality of care and have the greatest impact will remain at the heart of all we do.

I am incredibly proud of all that we have achieved in the face of the most challenging year we have yet faced. On behalf of the Board, I would like to thank our staff and volunteers for their hard work, dedication, agility and commitment, and our supporters, partners and donors for their extraordinary generosity that makes it all possible.



**Stephen Henly**  
**Chair of Trustees**  
23<sup>rd</sup> June 2021

# HOPE HOUSE CHILDREN'S HOSPICES

(A company limited by guarantee)

## TRUSTEES' REPORT (INCLUDING DIRECTOR'S REPORT) FOR THE YEAR ENDED 31 DECEMBER 2020

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The trustees (who are also the directors of the charity for the purposes of the Companies Act) present their report together with the audited financial statements of Hope House Children's Hospices (the charity and the group) for the year ended 31 December 2020.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the Charity's governing document, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)".

### Structure, governance and management

#### (a) Constitution

Hope House Children's Hospices is a registered charity number 1003859 and is a company limited by guarantee, incorporated under the Companies Act 1985, number 2588103. The company was established under a Memorandum of Association on 4<sup>th</sup> March 1991 and is governed under its Articles of Association which were amended, and following Charity Commission approval, adopted in March 2018.

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

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

#### (b) Method of appointment or election of trustees

The management of the company is the responsibility of the trustees who are elected from members of the association under the terms of the Articles of Association.

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

The Association has considered and determined not to set a maximum number of terms of office that a trustee may serve. On balance as it is felt that the interests of the charity are best served by continuity and stability of the Board, retaining the skills and expertise gained by trustees over their terms in office and limited by the small number of people coming forward to undertake the role. Trustees are subject to an annual review and the Board progressively refreshes the Board with the appointment of new trustees as Board members retire or where additional skills and experience is required. The decision on terms of office is reviewed regularly.

A formal policy sets out selection, recruitment and appointment of trustees to ensure trustees are Fit and Proper Persons to act in that capacity. The power of appointment rests with the Members of Association at an Annual General Meeting.

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

At the Annual General Meeting on the 16<sup>th</sup> of September 2019 Janette Welsh, Meinir Wigley and Dr David Sharp retired from the Board of Trustees. Meinir Wigley and Dr David Sharp were re-elected. Andrew Morris, Gary Morton, Graeme Harkness, and Kelly Stant were appointed to the Board of Hope House Children's Hospices.

The 2020 AGM will be held at Hope House on Wednesday 22<sup>nd</sup> of September 2021.

**HOPE HOUSE CHILDREN'S HOSPICES**  
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**TRUSTEES' REPORT (INCLUDING DIRECTOR'S REPORT)**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

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**(c) Policies adopted for the induction and training of the trustees**

All new trustees receive an induction, during which training is undertaken on good governance and the roles and responsibilities of trustees. Trustees also have access to on-line training and in early 2020 a two-year trustee training plan was approved. Despite the restrictions on face to face training imposed by measures to control the Coronavirus pandemic, online learning continued during 2020 with trustees completing training in:

- COVID Response for Employees
- DSE
- General Data Protection Regulation (GDPR)
- Health and Safety for Directors
- Mental Health Legislation
- Safeguarding Children and Adults at Risk
- Social Media Use

They also attended a half day training on Charity Finance and Accounting.

All trustees undertook an annual appraisal with the Chair of Trustees, and this helped to identify areas of concern, interest and development.

**d) Organisational structure and decision making**

The charity is governed by its Memorandum and Articles of Association which vest the management of the company in the Board of Trustees appointed by the Members of the Association at the Annual General Meeting.

The Board has established a specialist committee structure to provide an efficient mechanism for discharging the Board's corporate governance responsibilities. The committees in place during 2020 were:

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

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

By June 2020 senior managers were stretched responding to the pandemic and the ability of committees to meet was severely constrained. The Coronavirus Pandemic was having an impact across all areas of the charity's operations and decisions were needing to be taken that fell within the purview of every committee and in some cases more than one committee. In response the Board established a single time limited Emergency Committee to act on behalf of the Board in accordance with agreed terms of reference and delegation. The Emergency Committee met three times between June and August and was stood down in September. During this period, the other committees of the Board did not meet but regular updates were provided by the Senior Management Team to all trustees via video conference and the chairs of committees spoke and corresponded regularly with the Chief Executive and members of the Senior Management Team.

From the onset of the pandemic, Board and Committee meetings were held online through video conferencing platforms. Meetings were held in accordance with Article 24 'Proceedings of Directors', subsection (6) of the Charity's Articles of Association and the general provisions of the Companies Act 2006. In limited cases decisions were made by written resolution in accordance with Article 16 of the Charity's Articles of Association.

**HOPE HOUSE CHILDREN'S HOSPICES**  
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**TRUSTEES' REPORT (INCLUDING DIRECTOR'S REPORT)**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**





**d) Organisational structure and decision making (continued)**

The day to day operation and management of the company is vested in the Chief Executive Officer and Senior Management Team (SMT). In June 2020, the Board agreed a temporary change to the approved Scheme of Delegation to empower the Chief Executive to expediently act in response to the pandemic. These temporary changes lasted until the 30<sup>th</sup> of September.

**(e) Risk management**

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

In October 2020, the Audit and Risk Committee reviewed the most significant strategic risks facing Hope House Children's Hospices and their potential impact on the charity's ability to achieve its charitable purpose and in December 2020 the Board agreed that the Charity faced the following Critical and High Risks.

Risk	Risk Rating December 2019	Risk Rating December 2020	Direction of travel
Insufficient income	15 Critical	18 Critical	
Significant reduction or loss of statutory sector funding	12 High	12 High	
Supporter dissatisfaction	12 High	12 High	
Shortage of clinical skills	15 Critical	12 High	

**Objectives and Activities**

**(a) Policies and objectives**

In December 2020, the Association reviewed its 'Mission' and following consultation, adopted in early 2021 a revised Mission Statement based on the Why, How and What model of organisational strategy.

**Why We Are Here**

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

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

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

*This must stop.*

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

**HOPE HOUSE CHILDREN'S HOSPICES**  
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**TRUSTEES' REPORT (INCLUDING DIRECTOR'S REPORT)  
FOR THE YEAR ENDED 31 DECEMBER 2020**

**How We Work**

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

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

**(b) Strategies for achieving objectives**

**What We Do**

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

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

<b>Income strategies</b>				<b>Care strategy</b>				<b>People and resources strategies</b>			
Retail	Fundraising	Individual Giving and Engagement	Communications and Marketing	Complex Care	Respite and Key worker	Family Support	Quality and Assurance	Finance and Business planning	Human Resources and Volunteering	Governance and Information management	Estates and Facilities

**(c) Activities for achieving objectives**

In 2020 we provided specialist nursing, care and support to life limited children and young adults and those living with a life-threatening condition. Our support extended to the whole family from diagnosis, throughout the lifetime of the child and beyond.

Bereavement support and specialist counselling was provided to any family after the death of their child - whether or not we had previously cared for them. Following the stay at home order at the end of March 2020 this service was primarily delivered by telephone and on-line.

In order to fund the provision of care the charity received funding from statutory sources and raised funds by donations, by the sale of donated goods and by the operation of two wholly owned subsidiary trading companies, one that sold new goods for the benefit of the charity and the other that operated our lottery. During 2020 government regulations required our shops to cease trading for nearly half of the expected trading days and the stay at home or stay local orders that were enacted significantly restricted face to face fundraising including the recruitment of supporters to play the lottery.

# HOPE HOUSE CHILDREN'S HOSPICES

(A company limited by guarantee)

## TRUSTEES' REPORT (INCLUDING DIRECTOR'S REPORT) FOR THE YEAR ENDED 31 DECEMBER 2020

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### (c) Activities for achieving objectives (continued)

#### Volunteers

In addition to paid staff the charity was supported by volunteers who are active in many roles across all areas of the organisation including the Trustees who give their time voluntarily. Many volunteers support fundraising activities and work in our charity shops. Almost 40% of volunteers are age 65 or older and understandably 123 volunteers paused their volunteering in the shops when they were permitted to open due to the risk of contracting Covid 19. A further 44 volunteers retired during the year and recruitment of new volunteers during the pandemic was difficult. With the roll out of the vaccine from late 2020 we hope that volunteers will return to the shops when they reopen in April 2021 and we will be launching a new volunteer recruitment campaign to coincide with reopening.

With our shops closed and large scale face to face fundraising events cancelled, the pandemic had a significant impact on the ability of volunteers to support Hope House Children's Hospices. In early 2020 prior to the pandemic there were 588 volunteers active with Hope House Children's Hospices. At the end of 2020, this number had fallen to just 185. As the shops reopen and fundraising can hopefully restart in early to mid-2021 we hope that many volunteers will re-join us.

Despite the substantial reduction in the number of active volunteers, we remained reliant on volunteers who collectively in 2020 provided over 41,000 hours of volunteering worth equivalent of £420,000 in salary cost alone.

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

#### Supporting employees

In January 2020 Hope House Children's Hospice was subject to an unannounced inspection by the Care Quality Commission. In the inspection report the Inspector concluded "Leaders ran services well using reliable information systems and supported staff to develop their skills. Staff understood the service's vision and values, and how to apply them in their work. Staff felt respected, supported and valued."

#### *Disability Confident Employer*

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

Full details can be found at <https://www.gov.uk/government/collections/disability-confident-campaign>.

#### *Gender pay gap*

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

	2018	2019	2020
Mean gender pay gap	-4.98%	+4.85%	+9.39%
Mean hourly rate of pay	-0.64%	+0.72%	+1.35%

The increase in gender pay gap over the three year period is attributed to the reduction by half of male employees in the lower quartile of the organisation and a 15% reduction in male staff across the organisation since 2018. Taken together the findings show that a gender pay gap as defined by the Equality Act does not exist at Hope House Children's Hospices that any marginal gender pay gap does not stem from paying men and women differently for the same or equivalent work.

**HOPE HOUSE CHILDREN'S HOSPICES**  
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**TRUSTEES' REPORT (INCLUDING DIRECTOR'S REPORT)**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

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**(c) Activities for achieving objectives (continued)**

**Supporting employees (continued)**

***Support during the pandemic***

The pandemic had a significant impact on our workforce with a substantial number furloughed for part of the year, many moving virtually overnight to working from home, and care staff wearing extensive personal protective equipment to prevent the spread of infection. Safety was our number one priority and staff from across the charity worked together diligently developing standing operating procedures to ensure a safe and effective environment. These were updated as required in response to government guidance, initially this could be several times a day.

New risk assessments, procedures, PPE, training and communication programmes helped to ensure we maintained a covid secure working environment, whilst also preventing feelings of isolation or disconnect for those at home. A significant amount of scenario and contingency planning was undertaken to ensure we could adapt our workforce to longer term uncertainty caused by the pandemic.

In the early weeks of the pandemic trying to secure regular and reliable supplies of PPE became an obsession, with the NHS and government introduced systems changing in response to repeated failures to deliver. Fortunately with the help of the fundraising team and the generosity of the public we were able to obtain the relevant PPE to ensure we met new infection control procedures.

A Covid outbreak occurred amongst staff at Tŷ Gobaith at the end of the year, in total nine staff were affected. A thorough infection control audit, chronology and root cause analysis were undertaken but no conclusive source of transmission of the infection was identified, with human error as the probable cause and the new 'more contagious variant' now in circulation. Staff were given the opportunity to attend debriefs and further training given to reinforce SOPs and guidance. The outbreak resulted in access to the hospice restricted to end of life, care after death and crisis support for a total of 3 weeks.

A range of activities and initiatives were successfully delivered through the year to help employees stay engaged and informed through:

- Virtual Q&A sessions and regular workplace updates from the Chief Executive and senior managers
- Establishment of new resources to help with the wellbeing – staff pulse and home worker's surveys; new workplace health and wellbeing group with information on mindfulness, fitness, yoga, healthy eating and working from home;
- Welfare calls to furloughed staff; access to free training on health and wellbeing
- Celebrations of achievements and saying thank you – Christmas thank you parcel, complimentary snacks/gift sets and hand creams in the hospices
- A wellbeing fund was established to support staff beyond our legal health and safety requirements.

In May 2020, a survey of staff found that 88% of staff felt that Hope House Children's Hospices was doing all that it could to look after their health and wellbeing during these difficult times.

**Achievements and performance**

**(a) Going concern**

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

# HOPE HOUSE CHILDREN'S HOSPICES

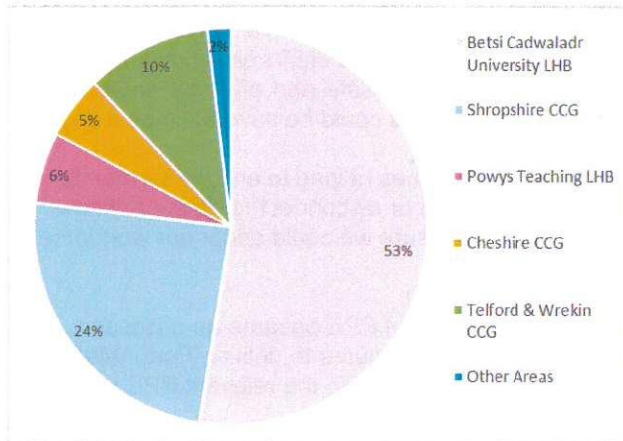
(A company limited by guarantee)

## TRUSTEES' REPORT (INCLUDING DIRECTOR'S REPORT) FOR THE YEAR ENDED 31 DECEMBER 2020

### (b) Review of activities

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

Hope House Children's Hospices supports children and families' resident in Shropshire, Cheshire, North and Mid Wales. During the year 264 children and young adults with life limiting and life-threatening conditions were registered with Hope House Children's Hospices. 54 new referrals were accepted.



As shown in the chart most children registered were resident in the Betsi Cadwaladr Health Board area (North Wales) followed by Shropshire CCG area.

Sadly 31 children registered with the hospices died. End of life care was provided for 8 children in the hospices. 15 families were supported by the hospices through our Snowflake service immediately following the death of their child.

#### In House Hospice Services

Hope House Children's Hospices operates two hospices, Hope House in Morda near Oswestry, Shropshire and Tŷ Gobaith in Conwy, North Wales. Despite the challenges of the pandemic both Hope House and Tŷ Gobaith remained open throughout the year.

In 2020 hospice care as we knew it changed drastically and from the outset of the pandemic continuing to deliver care and support to the children, young people and their families in response to their need remained our priority. Most of the children and young people are clinically vulnerable and we helped them to secure shielding letters so that they could access additional support whilst remaining at home. All planned respite was cancelled and in accordance with the shielding guidelines home visits and face to face communication with families across all areas of care was paused. We were able to re-open for planned respite care at the end of 2020 with a reduced bed capacity of two beds at Tŷ Gobaith and four at Hope House. Family stays at the hospices were restricted to end of life care and day care also ceased during the periods of national lockdowns.

Face to face support continued for end of life care, care after death and crisis care; albeit with new procedures to mitigate the risk of cross infection and ensure a Covid-safe environment. The challenges were many, but we were determined that no child should die without their family around them, and no family should be left unable to say goodbye to their child following their death.

Within Hope House and Tŷ Gobaith the home from home environment and informal, relaxed atmosphere we strive hard to achieve had to take on a new concept. Staff wore surgical scrubs, PPE and the building was besieged with hand sanitiser, copious signs and one way systems. The challenges of communicating wearing a mask and not being able to offer a comforting hand were all very apparent.

Care within the hospice was undertaken in designated areas with strict access and exit regimes and infection control measures, dependent upon the individual needs of the child and family. Visits to family homes were restricted to end of life or care after death with appropriate PPE and infection control measures.

Keeping in touch with families on a regular basis took on a new urgency, they were self-isolating and faced a worrying time with the threat of Covid adding to their child's already vulnerable health status. Support for children and their families changed overnight and evolved into a virtual hospice service delivered by online platforms, texting, telephone, email and postal mailings.

**HOPE HOUSE CHILDREN'S HOSPICES**  
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**TRUSTEES' REPORT (INCLUDING DIRECTOR'S REPORT)  
FOR THE YEAR ENDED 31 DECEMBER 2020**

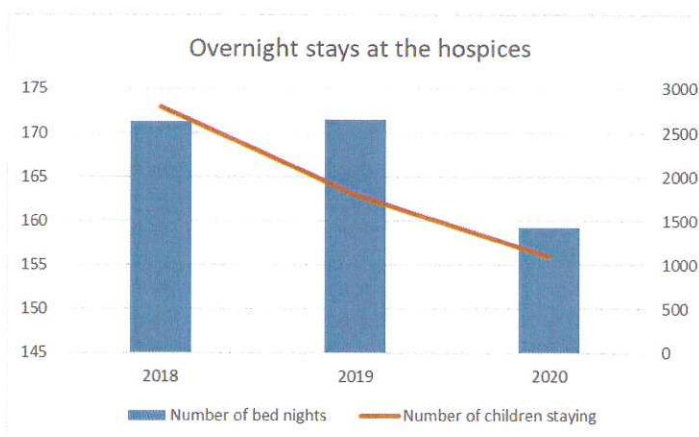
**(b) Review of activities (continued)**

Throughout 2020 and with the ever changing government guidance, requirements to screen staff, service users and visitors to the hospice evolved. This ranged from temperature checking and symptom screening through to Lateral Flow Device testing and PCR testing, each needing to be introduced and undertaken within different standard operating procedures between the two hospices.

The vaccine programme commenced with direct care staff at the end of the year and very quickly rolled out to all staff as per government guidance, there has been a positive 90% uptake of the first vaccine.

Despite the challenges and restrictions during 2020, 156 children stayed overnight at the hospices, a slight fall from 163 in 2019.

Although the number of children staying at the hospices during 2020 fell by just 5% the pandemic had a significantly great impact on the number of nights that children stayed at the hospices with overnight stays falling to 1430, just 54% of the previous year. This was due to the average length of stay being much shorter with a focus on crisis intervention and end of life care as opposed to planned respite stays which tend to be longer.

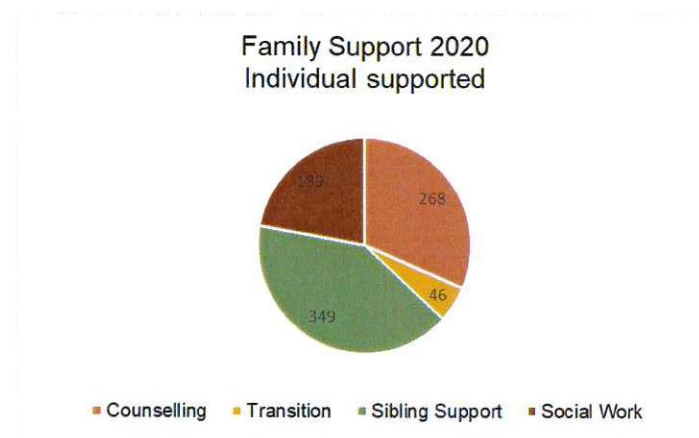


As the pandemic struck in March 2020, hospitals were desperately trying to discharge patients to free up capacity for Covid care. In supporting the NHS we altered our priorities of care to include the rapid discharge of children from hospital beds into our care for step down support, thus freeing up NHS capacity. During the year 14 children received step down care from Hope House Children's Hospices allowing them to be discharged safely from hospital.

The symptom control service that we established in 2018 continued to develop during the year supporting 35 individual children and young people. The symptom control team consists of the Medical Officer, Clinical Nurse Specialist, Pharmacy Technician, Nurse and a Physiotherapist thus having a multi-disciplinary approach. When face-to-face assessment could not take place, support and assessment was undertaken virtually. This proved to be very successful and enabled an efficient service especially for re-assessment and follow up.

Family Support Services

Our Family Support service consists of counselling, sibling support, homecare, social work, transition and neonatal support. During 2020 this service was significantly affected by the pandemic and steps to prevent the spread of the virus with almost all direct face to face support ceasing. The team quickly and creatively moved support online, by telephone and by letter, and through these 'virtual hospice' services provided support to 852 individuals as shown in the chart.



In April 2020 we ceased all face to face counselling and our counsellors retrained to provide counselling via telephone and online platforms. Following retraining, we were able to re-establish this service and pleasingly 90% of individuals who were receiving counselling for post bereavement support moved to receiving it virtually. One mum said it was much easier as she only needed to find care for her children for an hour as opposed to 4 hours with the additional travel time. In January 2021 we conducted a family survey to assess the effectiveness of 'Virtual hospice' services and this will help inform service design as we emerge from the pandemic.

# HOPE HOUSE CHILDREN'S HOSPICES

(A company limited by guarantee)

## TRUSTEES' REPORT (INCLUDING DIRECTOR'S REPORT) FOR THE YEAR ENDED 31 DECEMBER 2020

### Monitoring Impact

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

In January 2020 Hope House Children's Hospice was subject to an unannounced inspection by the Care Quality Commission. The CQC Independent Hospital Quality Panel rated the care and responsiveness provided by the hospice as 'Outstanding' and asked the National Specialist Quality Control and Consistency Panel to look at the well led rating to consider if it is also 'Outstanding'. The National Quality Control Panel ultimately graded all of the five domains as 'Good' and rated Hope House Children's Hospices overall as 'Good'. [Hope House Children's Hospice \(cqc.org.uk\)](http://cqc.org.uk)

In the Summary of Findings the CQC state

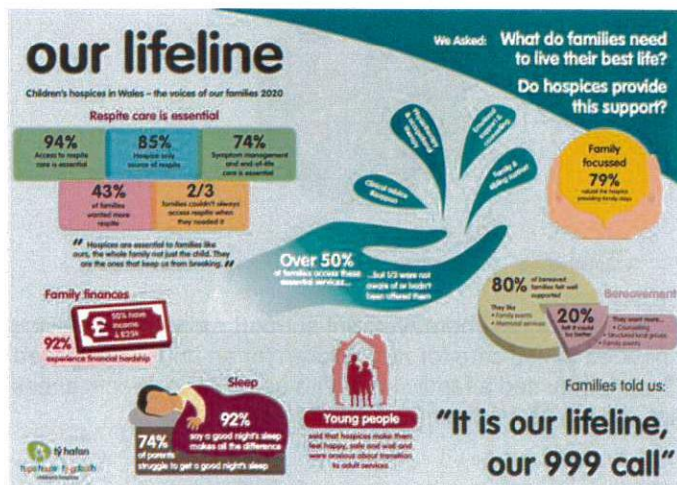
*Staff treated children, young people and their families with exceptional kindness and compassion and ensured their privacy and dignity were maintained at all times. Children, young people and their families and were fully empowered as active partners in their care, practically and emotionally, by an exceptional and distinctive service. Staff provided an exceptionally high level of emotional support to patients, families and carers to minimise their distress. They understood patients' personal, cultural and religious needs. Feedback from people who use the service, those who are close to them and stakeholders was continually extremely positive about the way staff treated them. People thought that staff went the extra mile, and their care and support exceeded their expectations.*

*The service planned and provided exceptional care with excellent facilities in a way that met the needs of local people and the communities served.*

In 2020 in partnership with Tŷ Hafan Children's Hospice we published **Family Voices** a report based on a survey of views of life-limited children, young people and their families, as well as bereaved families on whether children's hospices in Wales provide the support they need to live the best life they can. [Family Voices Project | Hope House Children's Hospices](#)

Commenting on the importance of core hospice services to their family, one parent explained that "these places are essential to families like ours, to the children and the families, the whole family not just the child. They are the ones that keep us from breaking".

The report makes clear that without the respite provided by the children's hospices, and the public donations that keep them open, there would be nowhere for these families to go. Even though almost every family who responded deemed short break care as 'essential', 85% said that their hospice was their only form of respite. When asked what change would make a difference to their lives, 75% said they needed more frequent and longer respite stays to enable them to rest and recharge, and to spend quality time with each other, safe in the knowledge their children are being expertly cared for 24/7.



The report also identified that 73% of families face barriers when it comes to accessing essential health and social support, with one parent explaining "we had to reach crisis point to receive any care [...], a long wait for any support". Families also identified barriers in accessing hospice services including availability, distance to services, schooling, cost or transport challenges.

74% of families reported that knowing they can access symptom management and end-of-life care really matters to their family and makes a big difference to their lives. Well over 60% reported that other services, such as clinical advice, physiotherapy, occupational therapy and emotional support are essential to their wellbeing.

**HOPE HOUSE CHILDREN'S HOSPICES**  
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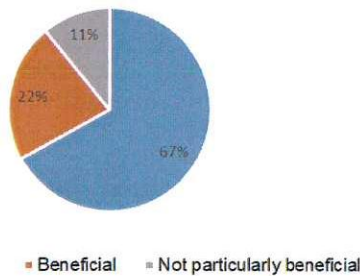
**TRUSTEES' REPORT (INCLUDING DIRECTOR'S REPORT)  
FOR THE YEAR ENDED 31 DECEMBER 2020**

In January 2021, a survey was conducted on the accessibility and value of virtual hospice services provided by Hope House Children's Hospices during the pandemic in 2020 and the results collated into a **Family Feedback Report**.

It was pleasing to hear that the hospice met the needs of 72% of families and when families contacted the hospices for support the support given was rated as beneficial by 89% of families.

Feedback from families included;

How was the response from the hospice to your request for assistance?



- The staff team have been available for help and advice whenever we have needed it.
- We had 2 respite stays during the pandemic last year and this helped us hugely. We don't have any other respite or help with our son's care (other than attending school) so Hope House is important to us. I have also had advice from the Hope House staff recently on some equipment for our son, so they are always there on the end of the phone when you need them.
- When my Father passed away from COVID they had my Daughter in for his funeral. Also another period during significant stress - they have been amazing.
- Making sure we have all the information to all the activities platforms and what's going on we are so grateful for the support we get phone calls etc.
- We've had the nurses support updating our son's one page profile within a day – phenomenal support, I've had counselling and we have phone calls every couple of weeks. Reassurance that support is there. Thank Hope House you make everyday day life so much more liveable.

Other feedback included;

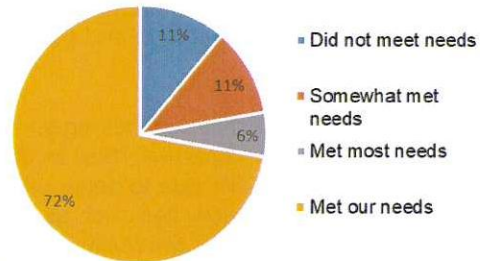
- If more respite was an option this would be helpful, if more rooms were open in the hospice it would be nice to know that sensory rooms, swimming and time in the playrooms were an option to our child during their stay.
- I wish more rooms were able to open, like the sensory room, playroom and swimming.

Plans are in place to reopen the hospice as infection control restrictions permit.

**Complaints**

One complaint about the care provided was received in 2020, and this was upheld by the Head of Care. Appropriate action was taken to reduce the likelihood of repeat incidents.

Meeting family needs during the pandemic



- Had a weekend respite in August 2020. We felt he was well looked after, and it was great to see the team of fabulous staff.
- To know that the team will support us through this crisis is above and beyond it puts my mind at ease from the worry that we have with our son and covid it's reassuring to know we've only to pick up the phone and a member of the team are there to help us.

**HOPE HOUSE CHILDREN'S HOSPICES**  
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**TRUSTEES' REPORT (INCLUDING DIRECTOR'S REPORT)  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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**(c) Fundraising activities/Income generation**

Fundraising activities

On the 23<sup>rd</sup> of March 2020, the Prime Minister told the nation to stay at home and with that announcement closed our charity retail shops and brought to end plans for large face to face fundraising events organised by the hospice or by supporters.

In April 2020, Hospice UK estimated that legacy income would be down by 25% due to falling asset values as most are in the form of shares or properties, retail income would be down 100% due to shops being forcibly closed, lottery income would be down by 25% due to being unable to canvas supporters and all other fundraising would be down by 75% as most fundraising activities such as midnight walks / gala dinners would be cancelled. It is testament to our supporters and our team that the reality for Hope House Children's Hospice was that despite the pandemic and restrictions continuing for significantly longer than the three months initially anticipated, fundraising income (excluding legacies) fell by just 15%. Legacy income held up and lottery income increased by 53.7%.

The restrictions of the first national lockdown in March 2020 led to a postponement of face-to-face fundraising activity initially until June. As the extent of the pandemic became clearer this led to a cancellation of events up to September. As national restrictions eased briefly in August some events such as golf days and duck races were able to be held. The reintroduction of restrictions by early September, that continued to tighten as we entered the autumn and winter months, meant that no further face to face fundraising events took place in 2020.

Wherever possible, we replaced face to face events with online and virtual events and this was generally an overwhelming success. Events such as the Hope House cycle ride saw the uptake and income generated double and the same was the case with the Nantwich Santa Dash that saw the income triple with 500 participants.

In 2020, we held two virtual 'Big Night In' events as alternatives to our annual balls. Although successful and enjoyed by all those who attended, the amount raised did not reflect the staff time and input required and will not be repeated in the same format.

Although 2020 was challenging, it did provide learning and we had the opportunity to try things that we might not have done had it not been for the pandemic. There is no certainty as to when life will return to some normality in the face-to-face fundraising world, but when it does, we will continue to offer virtual options too as we believe there will continue to be an appetite for both, resulting in increased income from each event.

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

We have comprehensive policies in place which include, amongst others:

- A complaints policy which is published on our website
- Vulnerable Person's Policy used in lottery face to face recruitment and fundraising
- Health and safety procedures including risk assessments and first aid for events
- An organisational wide policy to support volunteers who generously give their time to the charity
- Privacy and Data Protection Policies

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

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

**HOPE HOUSE CHILDREN'S HOSPICES**  
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**TRUSTEES' REPORT (INCLUDING DIRECTOR'S REPORT)  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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**(c) Fundraising activities/Income generation (continued)**

Fundraising activities (continued)

We received the following complaints during 2020.

- Retail: Eight complaints – all of which were upheld and resulted in action taken
- Lottery: Five complaints – all related to agency employed canvassers recruiting lottery players for Hope House Children's Hospices at venues. All five complaints were upheld, and action taken.
- Fundraising: No complaints were received

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

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

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

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

1. We comply with all relevant law, regulations and codes of practice and ensure that those who are contracted to work with us understand and adhere to them in their entirety. We regularly monitor performance and have robust contracts in place to ensure compliance.
2. We treat the information supporters provide with the utmost respect and use it only for the purposes for which it has been given. Supporters can change their preferences at any time, and we aim to implement those changes within 2 working days.
3. We have a comprehensive vulnerable people's policy that is regularly reviewed and updated as required.
4. We respect and value all contributions to the charity and will never do any fundraising activity that may undermine our core values or integrity.

Income from statutory bodies

We are hugely grateful to the UK and Welsh Governments for the support they offered to businesses generally during the pandemic and for the specific financial support for hospices that was negotiated and agreed by Hospice UK on behalf of all hospices. Job Retention Scheme grants, Business Support grants and Hospice Emergency government funding received in both England and Wales totalled £1.76m. This was in addition to the annual funding received for service level agreements with local health boards and clinical commissioning groups.

Retail contribution

2020 was undoubtedly Retail's most difficult year and to make a loss after a record-breaking year in 2019 was very disappointing. However, the team were resolute, and morale remained high throughout.

Due to the various lockdowns, shops were able to open on only 53% of planned trading days in 2020, nearly half of which preceded the first lockdown starting on 23rd March. Total turnover for the year was £1.26m vs a budget of £2.37m which is also 53%. Despite the limitations, shops were able to hit target when allowed to open.

# HOPE HOUSE CHILDREN'S HOSPICES

(A company limited by guarantee)

## TRUSTEES' REPORT (INCLUDING DIRECTOR'S REPORT) FOR THE YEAR ENDED 31 DECEMBER 2020

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### (c) Fundraising activities/Income generation (continued)

#### Retail contribution (continued)

£199k in Job Retention Scheme claims were made for furloughed Retail staff, and £369k was received in Business Support grants for Retail premises. When added to the £364k deficit, this means Retail made a £204k net contribution to the charity.

Volunteering levels were impacted by the pandemic. Approximately 40% of volunteering hours had returned following the first national lockdown by the time of the localised lockdowns in October and November. Volunteer recruitment and engagement campaigns are planned for 2021 and it is hoped that the vaccine will increase confidence in returning.

There were three significant changes in the Retail estate during 2020. Flint shop opened in January, Wellington closed permanently in March and the Shrewsbury town centre shop was relocated to new premises in September.

Though completion of the Retail strategy was delayed by the pandemic, work resumed in late 2020 and the Board of Trustees approved the new strategy in December.

#### Hope House Lottery

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

Every week the Hope House Lottery team enter all members who have paid their £1 to participate in the draw. Winners do not need to claim their prize as all cheques are automatically sent to them.

We started 2020 with three face to face canvassing agencies with whom we contracted to recruit new supporters to the lottery through a combination of door to door recruitment and at venues.

- LFS (LFS – Lottery Fundraising Services)
- Hospice Helpers Ltd
- UK Sales Recruitment ([www.uksalesrec.co.uk](http://www.uksalesrec.co.uk))

On the 23<sup>rd</sup> of March face to face lottery recruitment was paused and did not restart until mid-November, before stopping again with the third lockdown in December. The business plan for 2020 set a target for the recruitment of 13,500 new lottery players. Due to restrictions on face-to-face recruitment only 3,856 new lottery players were recruited.

Despite restrictions, net income from the lottery exceeded the budget. This was due to a reduction in recruitment costs, attrition being lower than forecast and staff saving as we moved onto a new lottery management platform.

A focus on player engagement over the year saw attrition fall significantly to just 24%, from 31% in 2019 and we ended 2020 with 32,021 entries in our weekly draw.

### (d) Investment policy and performance

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

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

# HOPE HOUSE CHILDREN'S HOSPICES

(A company limited by guarantee)

## TRUSTEES' REPORT (INCLUDING DIRECTOR'S REPORT) FOR THE YEAR ENDED 31 DECEMBER 2020

### (d) Investment policy and performance (continued)

- Shares in subsidiary companies.
- Unit trusts, open ended investment companies, trust companies and the like.

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

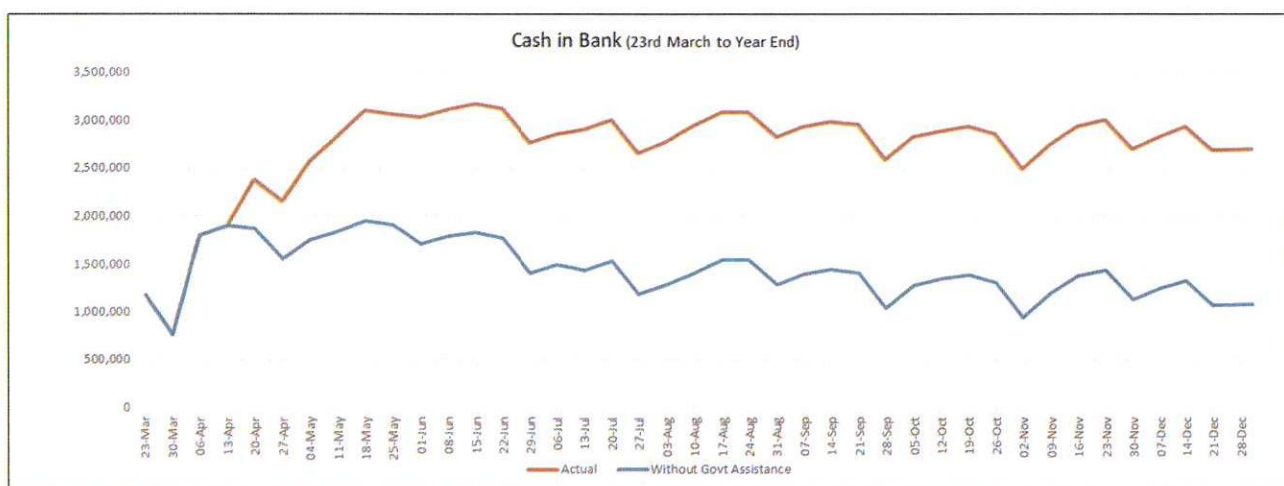
The performance of the Investment Manager and Portfolio is reviewed regularly by the Income and Investment Committee and performance is assessed against the Balanced Asset Benchmark produced by Asset Risk Consultants (ARC).

As the worldwide impact of the pandemic began to be felt in March 2020 the value of our investment portfolio fell sharply in line with the market. Over the following months the portfolio recovered, and we ended the year with an investment portfolio of £4.87 million, an increase of 3.5% from the start of the year.



### Financial review

When the pandemic first broke the impact on income was unknown. Decisions were therefore taken to pause recruitment, suspend the capital programme and to maximise cash to reduce the need to draw on reserves to meet monthly liabilities. Weekly cash flow forecasts were produced showing actual, forecast and estimated cash flow over a rolling three week period. On the 19<sup>th</sup> of April, just under £2.4million was being held as cash in bank and cash did not fall below this level throughout the year. At the end of the year cash in bank stood at £2.7 million.



In July 2020 as the likely impact of the pandemic became apparent a new financial forecast for 2020 was agreed allowing income and expenditure to be monitored against more realistic figures than those approved in December 2019. Monthly management accounts were produced within 10 working days of month end and performance was reported against budget, the revised forecast and previous year. The Board of Trustees was apprised of the financial position at each meeting by the Chief Executive and Commercial Director.

# HOPE HOUSE CHILDREN'S HOSPICES

(A company limited by guarantee)

## TRUSTEES' REPORT (INCLUDING DIRECTOR'S REPORT) FOR THE YEAR ENDED 31 DECEMBER 2020

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### (a) Financial and risk management objectives and policies

Insufficient income and a significant reduction or loss of statutory sector funding were two strategic risks identified by the Board of Trustees that fell above the charity's risk appetite in 2020 and required additional mitigation. This included;

- Supporter engagement programme launched in line with the fundraising strategy
- Successful virtual and remote participation fundraising events held
- Trust Fundraising Team established
- Plan Ahead programme launched to re-imagining fundraising and retail activity to increase income
- Discussion with NHS Commissioners and Welsh Government on a new funding deal including multiyear funding agreements
- Campaigning for continued (and increased) funding from NHS England and the Welsh Government through national umbrella bodies
- Quality and Assurance systems developed including data collection and reporting mechanisms to meet funder requirements

The trustees believe that whilst the major financial risks remain, action is being taken to mitigate the risks. Reserves are kept enabling the charity to respond in the event that there is a significant shortfall in income over expenditure.

### (b) Reserves policy

The Pandemic demonstrated how the charity's income is susceptible to fluctuations in donations resulting from events beyond its control. Reserves are held to help ensure that children and families in the future will continue to be able to access care and support. In 2020 it was agreed that the Coronavirus pandemic was a potential catastrophic event and that reserves of up to £300,000 held in order to respond to catastrophic events could be released. In the event this was not required.

The interaction between reliability of income and the extent to which expenditure is committed helps determine the reserves policy. From analysis it has been determined that there are high levels of uncertainty over income offset by a fairly static cost base. This led us to a risk-based Reserves Policy first approved in June 2017 and revised in September 2019 that ensures reserves are held as designated funds for business continuity, workforce management and investment.

The policy set a minimum unrestricted available reserve of £4.68 million at the beginning of 2020. If reserves fell below the minimum reserve for a period of two consecutive quarters then action was to be taken within 12 months to reduce costs in accordance with the agreed priorities, bringing expenditure and income into balance. This situation did not occur in 2020.

### Plans for the future

The impact of the pandemic had the potential to irrevocably damage the charity, and we must caution ourselves that it is far from over, however, what the last year has shown us is that we have the right skills and attitude in the organisation to navigate this most severe of storms. Rather than damage us the pandemic has changed the way in which we think about how services can be delivered and how we all work.

We will be starting 2021 with a level of uncertainty higher than for many years. Uncertainty around how the pandemic will be managed and its impact on society brings huge uncertainty around our ability to raise sufficient money and how we will provide care. With such a level of uncertainty we are projecting cautious income targets for 2021 resulting in a large deficit budget funded from surpluses built up during 2019 and 2020. Going forward we will need to bring income and expenditure into balance and service redesign and cost savings by the end of 2021 will be required.

In December 2020, the Board affirmed its commitment to build back from the impact of the pandemic, building on the successes seen during the year with new initiatives and different approaches. The Care and Fundraising Strategies approved in 2019 remain fit for purpose and new Retail and Volunteering strategies will be delivered.

**HOPE HOUSE CHILDREN'S HOSPICES**  
(A company limited by guarantee)

**TRUSTEES' REPORT (INCLUDING DIRECTOR'S REPORT)**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

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**Plans for the future (continued)**

The pandemic has changed how people work and how services are delivered. Digital Transformation will be the major project for 2021 with the introduction of a new Care Management System as the flagship project.

2020 also saw a strengthening of the relationship between Hope House and Tŷ Hafan Children's Hospices and the two charities will continue to work cooperatively on public affairs work in Wales as the first phase and proof of concept of the benefits of closer collaboration.

**Trustees' responsibilities statement**

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

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

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

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

**Disclosure of information to auditors**

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

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

This report, incorporating the group strategic report, was approved by the trustees, in their capacity as company directors, on 23<sup>rd</sup> June 2021 and signed on their behalf by:



**Stephen Henly**  
Chair of Trustees

**HOPE HOUSE CHILDREN'S HOSPICES**  
(A company limited by guarantee)

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

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**Opinion**

We have audited the financial statements of Hope House Children's Hospices (the 'charitable parent company') and its subsidiaries ('the group') for the year ended 31 December 2020 which comprise the group statement of financial activities, the group balance sheet, the charitable company balance sheet, the group statement of cash flows and the related notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the charitable company's affairs as at 31 December 2020 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis for opinion**

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

**Conclusions relating to going concern**

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

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

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

**Other information**

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

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

**HOPE HOUSE CHILDREN'S HOSPICES**  
(A company limited by guarantee)

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

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**Opinion on other matters prescribed by the Companies Act 2006**

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

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

**Matters on which we are required to report by exception**

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

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

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

**Responsibilities of trustees**

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

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

**Auditor's responsibilities for the audit of the financial statements**

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

**HOPE HOUSE CHILDREN'S HOSPICES**  
(A company limited by guarantee)

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

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

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

Enquiries of management and those charged with governance were held in order to identify any laws and regulations that could be expected to have a material impact on the financial statements. Throughout the audit, the team were updated with the outcomes of these enquiries including consideration as to where and how fraud may occur in the charitable company and the group.

The audit procedures undertaken to address any potential risk in relation to irregularities (which include fraud and non-compliance with laws and regulations) included: enquiries of management and those charged with governance on how the charitable company and group comply with relevant laws, regulations and any cases actual or potential litigation or claims; examination of appropriate legal correspondence; review of board minutes; testing of journal entries for appropriateness; and analytical procedures on account balances to identify variances against expectation which may show indications of fraud.

No instances of material non-compliance were identified, although the prospect of detecting irregularities, including fraud, is inherently difficult. This is due to; difficulty in detecting irregularities; limits imposed by the effectiveness of the entity's controls; and the nature, timing and extent of the audit procedures performed. Irregularities as a result of fraud are inherently more difficult to detect than those that resulting from error. Despite the audit being planned and performed in accordance with ISAs (UK), there is an unavoidable risk that material misstatements may not be detected.

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

**Use of our report**

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



**Michael Caputo FCA (Senior Statutory Auditor)**  
For and on behalf of **McLintocks (NW) Limited**

23<sup>rd</sup> June 2021

**Chartered Accountants**  
**Statutory Auditor**

2 Hilliards Court  
Chester Business Park  
Chester  
Cheshire  
CH4 9PX

**Notes:**

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

## HOPE HOUSE CHILDREN'S HOSPICES

(A company limited by guarantee)

### CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	Unrestricted funds £	Restricted funds £	2020 Total funds £	2019 Total funds £
<b>INCOME</b>					
Donations and legacies	3	4,064,200	233,481	4,297,681	4,831,717
Income from trading activities	4	3,067,304	-	3,067,304	3,927,414
Income from charitable activities	5	-	1,017,422	1,017,422	916,523
Investment income	6	91,244	-	91,244	86,860
Other income	7	986,138	780,711	1,766,849	-
<b>TOTAL INCOME</b>		<b>8,208,886</b>	<b>2,031,614</b>	<b>10,240,500</b>	<b>9,762,514</b>
<b>EXPENDITURE</b>					
Expenditure on raising funds:					
Raising funds within the Charity	8	884,661	-	884,661	1,053,479
Expenditure on trading activities	9	2,052,483	-	2,052,483	2,356,155
Expenditure on charitable activities	10	3,541,771	1,941,581	5,483,352	5,711,346
<b>TOTAL EXPENDITURE</b>		<b>6,478,915</b>	<b>1,941,581</b>	<b>8,420,496</b>	<b>9,120,980</b>
<b>NET SURPLUS FOR THE YEAR</b>					
Gains on revaluation of investments	17	1,729,971	90,033	1,820,004	641,534
Gross transfer between funds		116,244	-	116,244	303,653
		155,781	(155,781)	-	-
<b>NET MOVEMENT IN FUNDS FOR THE YEAR</b>		<b>2,001,996</b>	<b>(65,748)</b>	<b>1,936,248</b>	<b>945,187</b>
Total funds at 1 January		12,038,640	138,789	12,177,429	11,232,242
<b>TOTAL FUNDS AT 31 DECEMBER</b>		<b>14,040,636</b>	<b>73,041</b>	<b>14,113,677</b>	<b>12,177,429</b>

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

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


The notes on pages 28 to 47 form part of these financial statements.

**HOPE HOUSE CHILDREN'S HOSPICES**  
(A company limited by guarantee)

**CONSOLIDATED BALANCE SHEET  
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Note	£	2020 £	£	2019 £
<b>FIXED ASSETS</b>					
Tangible assets	16		5,028,521		5,119,682
Investments	17		4,875,575		4,696,068
			<u>9,904,096</u>		<u>9,815,750</u>
<b>CURRENT ASSETS</b>					
Stocks	18	12,760		6,876	
Debtors	19	1,981,880		1,728,042	
Cash at bank and in hand		2,710,974		1,253,028	
		<u>4,705,614</u>		<u>2,987,946</u>	
<b>CREDITORS</b>					
Amounts falling due within one year	20	(496,033)		(626,267)	
<b>NET CURRENT ASSETS</b>			4,209,581		2,361,679
<b>NET ASSETS</b>			<u>14,113,677</u>		<u>12,177,429</u>
<b>CHARITY FUNDS</b>					
Unrestricted Funds:					
Designated funds	21		4,862,000		4,681,000
General funds	21		9,178,636		7,357,640
			<u>14,040,636</u>		<u>12,038,640</u>
Restricted Funds	21		73,041		138,789
<b>TOTAL FUNDS</b>			<u>14,113,677</u>		<u>12,177,429</u>

The financial statements were approved by the trustees on 23<sup>rd</sup> June 2021 and signed on their behalf by:



**Stephen Henly**  
Chair of Trustees

The notes of pages 28 to 47 form part of these financial statements.

**HOPE HOUSE CHILDREN'S HOSPICES**  
(A company limited by guarantee)

**CHARITY BALANCE SHEET**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

		2020		2019	
	Note	£	£	£	£
<b>FIXED ASSETS</b>					
Tangible assets	16		5,028,521		5,119,682
Investments	17		4,875,579		4,696,072
			<u>9,904,100</u>		<u>9,815,754</u>
<b>CURRENT ASSETS</b>					
Stocks	18	10,902		4,891	
Debtors	19	3,445,616		1,994,049	
Cash at bank and in hand		1,122,724		803,980	
		<u>4,579,242</u>		<u>2,802,920</u>	
<b>CREDITORS</b>					
Amounts falling due within one year	20	(376,096)		(447,676)	
<b>NET CURRENT ASSETS</b>			4,203,146		2,355,244
<b>NET ASSETS</b>			<u>14,107,246</u>		<u>12,170,998</u>
<b>CHARITY FUNDS</b>					
Unrestricted Funds:					
Designated funds	21		4,862,000		4,681,000
General funds	21		9,172,205		7,351,209
			<u>14,034,205</u>		<u>12,032,209</u>
Restricted Funds	21		73,041		138,789
<b>TOTAL FUNDS</b>			<u>14,107,246</u>		<u>12,170,998</u>

The financial statements were approved by the trustees on 23<sup>rd</sup> June 2021 and signed on their behalf by:

Stephen Henly  
Chair of Trustees



As permitted by s408 Companies Act 2006, the charitable company has not presented its own statement of financial activities and related notes. The charitable company's surplus for the year was £1,936,248 (2019: £945,187).

The notes of pages 28 to 47 form part of these financial statements.

**HOPE HOUSE CHILDREN'S HOSPICES**  
(A company limited by guarantee)

**CONSOLIDATED CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Notes	2020 £	2019 £
<b>Cash provided by operating activities</b>	1	<u>1,657,000</u>	<u>372,504</u>
<b>Cash flows from investing activities:</b>			
Investment income		91,244	86,860
Purchase of tangible fixed assets		(227,035)	(271,640)
Purchase of listed investments		(232,686)	(1,590,925)
Sale of listed investments		169,423	829,598
<b>Cash used on investing activities</b>		<u>(199,054)</u>	<u>(946,107)</u>
(Decrease)/Increase in cash and cash equivalents in the year		1,457,946	(573,603)
Cash and cash equivalents at the beginning of the year	2	<u>1,253,028</u>	<u>1,826,631</u>
<b>Cash and cash equivalents at the end of the year</b>	2	<u><u>2,710,974</u></u>	<u><u>1,253,028</u></u>

The notes on pages 28 to 47 form part of these financial statements.

**HOPE HOUSE CHILDREN'S HOSPICES**  
**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

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

	2020	2019
	£	£
<b>Net income for the reporting period (as per the statement of financial activities)</b>	1,936,248	945,187
<b>Adjustments for:</b>		
Income from investments	(91,244)	(86,860)
Depreciation of tangible fixed assets	318,196	338,202
Revaluation of investments	(116,244)	(303,653)
(Increase)/decrease in stocks	(5,884)	2,086
(Increase) in debtors	(253,839)	(524,482)
(Decrease)/increase in creditors	(130,233)	2,087
<b>Net cash provided by (used in) operating activities</b>	<u>1,657,000</u>	<u>372,504</u>

**2 ANALYSIS OF CASH AND CASH EQUIVALENTS**

	2020	2019
	£	£
Cash at bank and in hand	<u>2,710,974</u>	<u>1,253,028</u>
<b>Total cash and cash equivalents</b>	<u>2,710,974</u>	<u>1,253,028</u>

# HOPE HOUSE CHILDREN'S HOSPICES

(A company limited by guarantee)

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

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### 1. ACCOUNTING POLICIES

#### Charity information

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

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

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

#### 1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's governing document, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2019). The charitable company is a Public Benefit Entity as defined by FRS 102. The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

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

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

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

#### 1.2 Basis of consolidation

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

All financial statements are made up to 31 December 2020.

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

**HOPE HOUSE CHILDREN'S HOSPICES**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

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**1. ACCOUNTING POLICIES (continued)**

**1.3 Preparation of the accounts on a going concern basis**

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

At the time of approving the financial statements, the trustees have a reasonable expectation that the charitable company and group have adequate resources to continue in operational existence for the foreseeable future, despite the COVID-19 global pandemic. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

**1.4 Incoming resources**

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

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

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

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

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

**1.5 Donated services and facilities**

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

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

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

**1.6 Interest receivable**

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

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

# HOPE HOUSE CHILDREN'S HOSPICES

(A company limited by guarantee)

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

---

### 1. ACCOUNTING POLICIES (continued)

#### 1.7 Fund accounting

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

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

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

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

#### 1.8 Expenditure

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

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

#### 1.9 Allocation of support costs

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

#### 1.10 Operating leases

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

#### 1.11 Tangible fixed assets

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

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

Freehold buildings	40 years straight line
Freehold land	nil
Other property	Depreciated to a residual value
Plant and machinery	4 – 10 years straight line
Motor vehicles	5 – 10 years straight line

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

**HOPE HOUSE CHILDREN'S HOSPICES**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

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**1. ACCOUNTING POLICIES (continued)**

**1.12 Fixed asset investments**

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

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

**1.13 Stocks**

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

**1.14 Debtors**

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

**1.15 Cash at bank and in hand**

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

**1.16 Creditors and provisions**

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

**1.17 Pensions**

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

**1.18 Financial Instruments**

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

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

*Basic financial assets*

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

**HOPE HOUSE CHILDREN'S HOSPICES**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

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**1. ACCOUNTING POLICIES (continued)**

**1.18 Financial Instruments (continued)**

*Basic financial liabilities*

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

*Derecognition of financial liabilities*

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

**1.19 Critical accounting estimates and Judgements**

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

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

**2. LEGAL STATUS**

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

**HOPE HOUSE CHILDREN'S HOSPICES**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

**3. INCOME FROM DONATIONS AND LEGACIES**

	2020	2020	2020	2019
	Unrestricted	Restricted	Total	Total
	funds	funds	funds	funds
	£	£	£	£
Donations	1,760,082	233,481	1,993,563	2,253,970
Legacies	2,146,209	-	2,146,209	2,294,065
Tax recovered – gift aid	142,549	-	142,549	219,707
Other income	15,360	-	15,360	63,975
	<u>4,064,200</u>	<u>233,481</u>	<u>4,297,681</u>	<u>4,831,717</u>

**INCOME FROM DONATIONS AND LEGACIES – 2019 COMPARATIVES**

	2019	2019	2019
	Unrestricted	Restricted	Total
	funds	funds	funds
	£	£	£
Donations	2,049,906	204,064	2,253,970
Legacies	2,294,065	-	2,294,065
Tax recovered – Gift Aid	219,707	-	219,707
Other income	63,975	-	63,975
	<u>4,627,653</u>	<u>204,064</u>	<u>4,831,717</u>

**Incoming resources from non-exchange transactions**

Donated goods and facilities for which there was no income recorded were received to a value of £27,205. None of these donations had conditions attached.

In addition to paid staff, the charity was supported by 588 (2019: 594) active volunteers during the year, though activity reduced significantly from March onwards due to the pandemic. As a result, in 2020 volunteers provided 41,069 hours (2019: 75,632 hours) of volunteering worth equivalent of £420,209 (2019: £854,585) in salary costs.

**4. INCOME FROM TRADING ACTIVITIES**

	2020	2020	2020	2019
	Unrestricted	Restricted	Total	Total
	funds	funds	funds	funds
	£	£	£	£
Hope House (Trading) Limited	60,934	-	60,934	90,792
Hope House (Lottery) Limited	1,862,215	-	1,862,215	1,708,472
Hope House Children's Hospices	1,144,155	-	1,144,155	2,128,150
	<u>3,067,304</u>	<u>-</u>	<u>3,067,304</u>	<u>3,927,414</u>

The 2019 total income from trading activities was unrestricted. The trade of Hope House (Trading) Limited is derived from the sale and purchase of merchandise (new goods). Hope House (Lottery) Limited operates the lottery scheme and raffle.

**HOPE HOUSE CHILDREN'S HOSPICES**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

**5. INCOME FROM CHARITABLE ACTIVITIES**

	2020 Unrestricted funds £	2020 Restricted funds £	2020 Total funds £	2019 Total funds £
Income from statutory bodies	-	1,017,422	1,017,422	916,523

Analysed as:

	2020 Unrestricted funds £	2020 Restricted funds £	2020 Total funds £	2019 Total funds £
Welsh LHB grants	-	269,569	269,569	268,364
NHS England grant	-	343,061	343,061	328,522
English CCG grants	-	341,645	341,645	292,159
Welsh Health Authority grant towards pensions	-	35,503	35,503	27,478
End of life funding	-	27,644	27,644	-
	-	1,017,422	1,017,422	916,523

All income from charitable activities in 2019 was restricted.

**6. INVESTMENT INCOME**

	2020 Unrestricted funds £	2020 Restricted funds £	2020 Total funds £	2019 Total funds £
Investment income	91,244	-	91,244	86,860

All investment income in 2019 was unrestricted.

**7. OTHER INCOME**

	2020 Unrestricted funds £	2020 Restricted funds £	2020 Total funds £	2019 Total funds £
Coronavirus job retention scheme	616,804	-	616,804	-
Retail support scheme	369,334	-	369,334	-
NHS Hospice support income	-	780,711	780,711	-
	986,138	780,711	1,766,849	-

NHS England awarded funding to allow the hospice to make available bed capacity and community support from April to July 2020 to provide support to people with complex needs in the context of the COVID-19 situation and to provide bed capacity and community support in November and December 2020 for the same purpose. NHS Wales also provided funding to maintain core service provision from April to December 2020.

**HOPE HOUSE CHILDREN'S HOSPICES**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

**8. EXPENDITURE ON RAISING FUNDS WITHIN THE CHARITY**

	<b>2020</b>	<b>2019</b>
	<b>Total funds</b>	<b>Total funds</b>
	<b>£</b>	<b>£</b>
Promotional materials	37,903	68,249
Designing and brand promotion	6,750	-
Printing, postage, stationery and IT	25,355	24,143
Event expenses	27,977	118,981
Insurance	3,415	2,949
Repairs and maintenance	799	5,027
Telephone	7,951	7,924
Vehicle running expenses	-	2,676
Vehicle lease charges	591	4,543
Car allowance	55,654	50,243
Travelling expenses	4,513	14,427
Training and conferences	3,563	3,089
General expenses	15,271	14,007
Friends' groups' expenses	-	410
Payment processing fees	15,064	16,711
Fundraising staff costs	651,299	687,843
Recruitment	808	-
Investment management costs	27,748	32,257
	<u>884,661</u>	<u>1,053,479</u>
Attributable to:		
Unrestricted funds	884,661	1,053,479
Restricted funds	-	-
	<u>884,661</u>	<u>1,053,479</u>

**9. EXPENDITURE ON TRADING ACTIVITIES**

	<b>2020</b>	<b>2020</b>	<b>2020</b>	<b>2019</b>
	<b>Unrestricted</b>	<b>Restricted</b>	<b>Total</b>	<b>Total</b>
	<b>funds</b>	<b>funds</b>	<b>funds</b>	<b>funds</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Hope House (Trading) Limited	19,222	-	19,222	34,376
Hope House (Lottery) Limited	437,726	-	437,726	781,849
Hope House Children's Hospices	1,595,535	-	1,595,535	1,539,930
	<u>2,052,483</u>	<u>-</u>	<u>2,052,483</u>	<u>2,356,155</u>

All expenditure on trading activities in 2019 was unrestricted.

The trade of Hope House (Trading) Limited is derived from the sale and purchase of merchandise (new goods) and the operation of the Retail Gift Aid scheme. Hope House (Lottery) Limited operates the lottery scheme.

**HOPE HOUSE CHILDREN'S HOSPICES**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

**10. EXPENDITURE ON CHARITABLE ACTIVITIES**

	Notes	2020 Total funds £	2019 Total funds £
Repairs and maintenance		81,410	105,564
Heat and light		64,501	68,072
Water charges		7,287	7,644
Printing, postage, stationery and IT		22,937	22,154
Housekeeping		21,631	19,616
Insurance		21,690	20,794
Telephone		19,007	21,244
Food and catering		32,329	46,959
Motor expenses		19,811	25,719
Vehicle lease charges		12,106	11,966
Car allowance		17,832	17,487
Travelling expenses		22,817	53,530
Training and conferences		23,718	52,627
Recruitment		882	4,260
General expenses		76,034	65,744
Nursing consumables		38,638	30,517
Medical cover		66,410	-
Family bereavement fund		750	750
Wages and salaries		3,888,374	4,079,285
Agency		7,360	8,850
Depreciation		281,832	286,086
Rent		22,917	24,333
		<u>4,750,273</u>	<u>4,973,201</u>
Share of support costs	11	721,751	727,979
Share of governance costs	11	11,328	10,166
		<u>5,483,352</u>	<u>5,711,346</u>
Attributable to:			
Unrestricted funds		3,541,771	4,767,539
Restricted funds		1,941,581	943,807
		<u>5,483,352</u>	<u>5,711,346</u>

All expenditure in 2019 and 2020 was attributable to hospice activities undertaken directly.

**HOPE HOUSE CHILDREN'S HOSPICES**  
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**FOR THE YEAR ENDED 31 DECEMBER 2020**

**11. SUPPORT AND GOVERNANCE COSTS**

	Notes	Total 2020 £	Total 2019 £
<b>Support Costs</b>			
Printing, postage, stationery and IT		19,120	20,401
Telephone		6,315	6,998
Water charges		574	773
Light and heat		2,240	2,515
Repairs and maintenance		10,245	10,298
General expenses		18,392	18,793
Vehicle running expenses		612	516
Vehicle lease charges		-	2,379
Travelling expenses		4,734	9,493
Car allowance		15,945	16,188
Training and conferences		1,335	4,895
Wages and salaries		560,121	548,733
Agency		-	100
Recruitment		8,343	5,367
Apprentice levy		10,905	11,183
Staff benefit scheme		18,795	17,395
Bank charges		16,475	14,965
Insurance		3,740	3,750
Rent and service charges		15,250	15,250
Irrecoverable VAT		8,610	17,987
		<u>721,751</u>	<u>727,979</u>
<b>Governance Costs</b>			
Audit fees		5,050	5,000
Trustees governance costs		3,179	2,106
Professional fees		3,099	3,060
		<u>11,328</u>	<u>10,166</u>
		<u>733,079</u>	<u>738,145</u>
Analysed between:			
Charitable activities	10	<u>733,079</u>	<u>738,145</u>

**12. NET INCOME**

	2020 £	2019 £
This is stated after charging:		
Depreciation of owned tangible fixed assets	318,196	338,202
Auditors remuneration – audit work	6,250	7,000

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**13. TRUSTEE'S REMUNERATION AND BENEFITS**

During the year, no trustees received any remuneration (2019: £Nil). During the year, no trustees received any benefits in kind (2019: £Nil). During the year, no trustees received reimbursement of expenses (2019: £nil). Expenses totalling £180 (2019: £2,076) for travel were waived by trustees during the year. The charity incurred costs of £3,179 (2019: £2,106) in relation to the trustees that are compulsory for them to conduct their roles. These expenses include: indemnity insurance, CRB checks and safeguarding training.

**14. STAFF BENEFITS**

	Group		Charity	
	2020	2019	2020	2019
	£	£	£	£
Wages and salaries	5,218,792	5,231,791	5,144,235	5,183,336
Social security costs	441,625	456,462	435,419	450,831
Other pension costs	588,421	585,822	581,336	580,363
	<u>6,248,838</u>	<u>6,274,075</u>	<u>6,160,990</u>	<u>6,214,530</u>

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

	Group		Charity	
	2020	2019	2020	2019
	No.	No.	No.	No.
Hospice services	145	158	145	158
Fundraising and publicity	27	24	27	24
Support	16	16	16	16
Retail and Lottery	60	53	57	50
	<u>248</u>	<u>251</u>	<u>245</u>	<u>248</u>

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

	Group		Charity	
	2020	2019	2020	2019
	No.	No.	No.	No.
In the band £60,001 - £70,000	1	-	1	-
In the band £70,001 - £80,000	2	2	2	2
In the band £100,001 - £110,000	1	1	1	1
	<u>4</u>	<u>3</u>	<u>4</u>	<u>3</u>

The key management personnel of the group, comprise the trustees, the chief executive officer, director of fundraising, director of care, the commercial director plus the directors of the wholly owned subsidiaries. The total employee benefits of the key management personnel were £357,666 (2019: £412,201).

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**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

**2019 COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES**

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £
<b>INCOME</b>			
Donations and legacies	4,627,653	204,064	4,831,717
Income from trading activities	3,927,414	-	3,927,414
Income from charitable activities	-	916,523	916,523
Investment income	86,860	-	86,860
<b>TOTAL INCOME</b>	<u>8,641,927</u>	<u>1,120,587</u>	<u>9,762,514</u>
<b>EXPENDITURE</b>			
Expenditure on raising funds:			
Raising funds within the Charity	1,053,479	-	1,053,479
Expenditure on trading activities	2,356,155	-	2,356,155
Expenditure on charitable activities	4,767,539	943,807	5,711,346
<b>TOTAL EXPENDITURE</b>	<u>8,177,173</u>	<u>943,807</u>	<u>9,120,980</u>
<b>NET SURPLUS/ (EXPENDITURE) FOR THE YEAR</b>	464,754	176,780	641,534
Gains/(Losses) on revaluation of investments	303,653	-	303,653
Gross transfer between funds	37,991	(37,991)	-
<b>NET MOVEMENT IN FUNDS FOR THE YEAR</b>	<u>806,398</u>	<u>138,789</u>	<u>945,187</u>
Total funds at 1 January	11,232,242	-	11,232,242
<b>TOTAL FUNDS AT 31 DECEMBER</b>	<u>12,038,640</u>	<u>138,789</u>	<u>12,177,429</u>

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**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

**15. TANGIBLE FIXED ASSETS**

**Group and Charity**

	<b>Freehold Property £</b>	<b>Other Property £</b>	<b>Plant and Equipment £</b>	<b>Motor Vehicles £</b>	<b>Totals £</b>
<b>COST</b>					
At 1 January 2020	6,681,905	385,918	3,412,521	157,058	10,637,402
Additions	-	-	178,140	48,895	227,035
At 31 December 2020	<u>6,681,905</u>	<u>385,918</u>	<u>3,590,661</u>	<u>205,953</u>	<u>10,864,437</u>
<b>DEPRECIATION</b>					
At 1 January 2020	2,467,030	-	2,933,218	117,472	5,517,720
Charge for year	151,847	-	156,162	10,187	318,196
At 31 December 2020	<u>2,618,877</u>	<u>-</u>	<u>3,089,380</u>	<u>127,659</u>	<u>5,835,916</u>
<b>NET BOOK VALUE</b>					
At 31 December 2020	<u>4,063,028</u>	<u>385,918</u>	<u>501,281</u>	<u>78,294</u>	<u>5,028,521</u>
At 31 December 2019	<u>4,214,875</u>	<u>385,918</u>	<u>479,303</u>	<u>39,586</u>	<u>5,119,682</u>

Included in freehold property is freehold land at valuation of £608,106 (2019: £608,106), cost £608,106 (2019: £608,106) which is not depreciated.

Other property relates to the Bangor shop and a property owned in Criccieth.

Included in freehold property are £4,119 of restricted assets (2019: £4,119) for ongoing building improvements funded via restricted grants.

**16. FIXED ASSET INVESTMENTS**

<b>Group – market value</b>	<b>Listed securities £</b>	<b>Cash and settlements pending £</b>	<b>Total £</b>
At 1 January 2020	4,604,360	91,708	4,696,068
Additions	232,687	-	232,687
Disposals	(266,388)	-	(266,388)
Revaluations	116,244	-	116,244
Movement on cash account	-	96,964	96,964
At 31 December 2020	<u>4,686,903</u>	<u>188,672</u>	<u>4,875,575</u>

If the listed investments were recorded at historic cost they would be stated at £4,282,852 (2019: £4,151,904) in the group.

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**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

**17. FIXED ASSET INVESTMENTS (CONTINUED)**

	Listed securities	Cash and settlements pending	Shares in subsidiaries	Total
	£	£	£	£
Charity – market value				
At 1 January 2020	4,604,360	91,708	4	4,696,072
Additions	232,687	-		232,687
Disposals	(266,388)	-		(266,388)
Revaluations	116,244	-		116,244
Movement on cash account	-	96,964		96,964
At 31 December 2020	<u>4,686,903</u>	<u>188,672</u>	<u>4</u>	<u>4,875,579</u>

**Group Investments at market value comprise:**

	UK	Overseas	2020	2019
	£	£	£	£
Listed investments	3,126,412	1,560,491	4,686,903	4,604,360
Investment cash and settlements pending	188,672	-	188,672	91,708
At 31 December 2020	<u>3,315,084</u>	<u>1,560,491</u>	<u>4,875,575</u>	<u>4,696,068</u>

**Charity investments at market value comprise:**

	UK	Overseas	2020	2019
	£	£	£	£
Listed investments	3,126,412	1,560,491	4,686,903	4,604,360
Investment cash and settlements pending	188,672	-	188,672	91,708
Investment in subsidiaries	4	-	4	4
At 31 December 2020	<u>3,315,088</u>	<u>1,560,491</u>	<u>4,875,579</u>	<u>4,696,072</u>

**Investment in subsidiaries:**

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

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

The assets and liabilities of the subsidiaries were:

	Hope House (Trading) Limited		Hope House (Lottery) Limited	
	2020	2019	2020	2019
	£	£	£	£
Current assets	3,281	2,373	1,586,828	450,689
Current liabilities	(1,712)	(804)	(1,581,961)	(445,822)
<b>Aggregate share capital and reserves</b>	<u>1,569</u>	<u>1,569</u>	<u>4,867</u>	<u>4,867</u>
<b>Net income from trading activities</b>	<u>44,758</u>	<u>60,956</u>	<u>1,424,489</u>	<u>926,623</u>

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**FOR THE YEAR ENDED 31 DECEMBER 2020**

**18. STOCKS**

	Group		Charity	
	2020	2019	2020	2019
	£	£	£	£
Good for resale	<u>12,760</u>	<u>6,876</u>	<u>10,902</u>	<u>4,891</u>

The 2019 comparatives for the group have been amended to reflect scratchcard stock of £1,985 previously disclosed in other debtors.

**19. DEBTORS**

	Group		Charity	
	2020	2019	2020	2019
	£	£	£	£
Amounts owed by group undertakings	-	-	1,463,737	268,036
Other debtors	1,848,729	1,618,569	1,848,733	1,616,540
Prepayments	<u>133,151</u>	<u>109,473</u>	<u>133,146</u>	<u>109,473</u>
	<u>1,981,880</u>	<u>1,728,042</u>	<u>3,445,616</u>	<u>1,994,049</u>

**20. CREDITORS: Amounts falling due within one year**

	Group		Charity	
	2020	2019	2020	2019
	£	£	£	£
Trade creditors	56,323	78,970	50,385	45,476
Other taxation and social security	166,646	162,232	166,646	162,232
Accruals and deferred income	<u>273,064</u>	<u>385,065</u>	<u>159,065</u>	<u>239,968</u>
	<u>496,033</u>	<u>626,267</u>	<u>376,096</u>	<u>447,676</u>

Included within creditors is deferred income totalling £197,337 (2019: £309,441) in the group and £90,238 (2019: £170,969) in the charity. Deferred income in Hope House Children's Hospices is recognised in respect of grants where the performance agreement runs across multiple periods. Deferred income is recognised in Hope House (Lottery) Limited where players place money on account in advance of being drawn. The deferred income recognised in 2019 has been subsequently recognised as income in 2020.

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**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
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**21. STATEMENT OF FUNDS**

Group	Funds at 1 Jan 2020 £	Income £	Expenditure £	Transfers in/out £	Gains / (Losses) £	Funds at 31 Dec 2020 £
<b>DESIGNATED FUNDS</b>						
Workforce management	100,000	-	-	-	-	100,000
Service development	481,000	-	-	(281,000)	-	200,000
Investment in fundraising	-	-	-	187,000	-	187,000
Business continuity	4,100,000	-	-	275,000	-	4,375,000
	<u>4,681,000</u>	<u>-</u>	<u>-</u>	<u>181,000</u>	<u>-</u>	<u>4,862,000</u>
<b>GENERAL FUNDS</b>						
General funds – all funds	7,357,640	8,208,886	(6,478,915)	(25,219)	116,244	9,178,636
Total unrestricted funds	<u>12,038,640</u>	<u>8,208,886</u>	<u>(6,478,915)</u>	<u>155,781</u>	<u>116,244</u>	<u>14,040,636</u>
<b>RESTRICTED FUNDS</b>						
Restricted funds – all funds	138,789	2,031,614	(1,941,581)	(155,781)	-	73,041
<b>Total funds</b>	<u><b>12,177,429</b></u>	<u><b>10,240,500</b></u>	<u><b>(8,420,496)</b></u>	<u><b>-</b></u>	<u><b>116,244</b></u>	<u><b>14,113,677</b></u>
Charity	Funds at 1 Jan 2020 £	Income £	Expenditure £	Transfer s in/out £	Gains / (Losses) £	Funds at 31 Dec 2020 £
<b>DESIGNATED FUNDS</b>						
Workforce management	100,000	-	-	-	-	100,000
Service development	481,000	-	-	(281,000)	-	200,000
Investment in fundraising	-	-	-	187,000	-	187,000
Business continuity	4,100,000	-	-	275,000	-	4,375,000
	<u>4,681,000</u>	<u>-</u>	<u>-</u>	<u>181,000</u>	<u>-</u>	<u>4,862,000</u>
<b>GENERAL FUNDS</b>						
General funds – all funds	7,351,209	7,754,984	(6,025,013)	(25,219)	116,244	9,172,205
Total unrestricted funds	<u>12,032,209</u>	<u>7,754,984</u>	<u>(6,025,013)</u>	<u>155,781</u>	<u>116,244</u>	<u>14,034,205</u>
<b>RESTRICTED FUNDS</b>						
Restricted funds – all funds	138,789	2,031,614	(1,941,581)	(155,781)	-	73,041
<b>Total funds</b>	<u><b>12,170,998</b></u>	<u><b>9,786,598</b></u>	<u><b>(7,966,594)</b></u>	<u><b>-</b></u>	<u><b>116,244</b></u>	<u><b>14,107,246</b></u>

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**21. STATEMENT OF FUNDS (CONTINUED)**  
**2019 COMPARATIVES**

Group	Funds at 1 Jan 2019 £	Income £	Expenditure £	Transfers in/out £	Gains / (Losses) £	Funds at 31 Dec 2019 £
<b>DESIGNATED FUNDS</b>						
Workforce management	100,000	-	-	-	-	100,000
Service development	153,202	-	-	327,798	-	481,000
Business continuity	4,350,000	-	-	(250,000)	-	4,100,000
	<u>4,603,202</u>	<u>-</u>	<u>-</u>	<u>77,798</u>	<u>-</u>	<u>4,681,000</u>
<b>GENERAL FUNDS</b>						
General funds – all funds	6,629,040	8,641,927	(8,177,173)	(39,807)	303,653	7,357,640
Total unrestricted funds	<u>11,232,242</u>	<u>8,641,927</u>	<u>(8,177,173)</u>	<u>37,991</u>	<u>303,653</u>	<u>12,038,640</u>
<b>RESTRICTED FUNDS</b>						
Restricted funds – all funds	-	1,120,587	(943,807)	(37,991)	-	138,789
<b>Total funds</b>	<u><b>11,232,242</b></u>	<u><b>9,762,514</b></u>	<u><b>(9,120,980)</b></u>	<u><b>-</b></u>	<u><b>303,653</b></u>	<u><b>12,177,429</b></u>
Charity	Funds at 1 Jan 2019 £	Income £	Expenditure £	Transfers In/out £	Gains / (Losses) £	Funds at 31 Dec 2019 £
<b>DESIGNATED FUNDS</b>						
Workforce management	100,000	-	-	-	-	100,000
Service development	153,202	-	-	327,798	-	481,000
Business continuity	4,350,000	-	-	(250,000)	-	4,100,000
	<u>4,603,202</u>	<u>-</u>	<u>-</u>	<u>77,798</u>	<u>-</u>	<u>4,681,000</u>
<b>GENERAL FUNDS</b>						
General funds – all funds	6,622,608	7,830,242	(7,365,487)	(39,807)	303,653	7,351,209
Total unrestricted funds	<u>11,225,810</u>	<u>7,830,242</u>	<u>(7,365,487)</u>	<u>37,991</u>	<u>303,653</u>	<u>12,032,209</u>
<b>RESTRICTED FUNDS</b>						
Restricted funds – all funds	-	1,120,587	(943,807)	(37,991)	-	138,789
<b>Total funds</b>	<u><b>11,225,810</b></u>	<u><b>8,950,829</b></u>	<u><b>(8,309,294)</b></u>	<u><b>-</b></u>	<u><b>303,653</b></u>	<u><b>12,170,998</b></u>

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**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

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**21. STATEMENT OF FUNDS (continued)**

**DESIGNATED FUNDS**

**Workforce Management Fund**

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

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

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

**Service Development Fund**

**Fundraising**

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

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

**Care**

In December 2019, the Board approved a new Care Strategy. Investment to pump prime and redesign services to drive delivery was planned in 2020 but this was deferred to focus on managing through the Coronavirus Pandemic. This investment is again planned for 2021 with a reserve fund designated if required.

**Business Continuity Fund**

**To manage income shortfalls**

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

**To adjust costs**

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

**Catastrophic event**

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

The Coronavirus pandemic was a catastrophic event and in April 2020 the Board of Trustees agreed that, if required, funds could be drawn down from this reserve to meet increased costs to mitigate the impact of lost income. Despite the impact that national restrictions had on our traditional income streams in 2020, cost management, creative fundraising, and Government funding have allowed this reserve fund to be maintained, however, the impact of the pandemic continues to be felt in 2021 and the reserve may yet be required

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**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

**22. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	Unrestricted funds 2020	Restricted funds 2020	Total funds 2020
Tangible fixed assets	5,024,402	4,119	5,028,521
Fixed asset investments	4,875,575	-	4,875,575
Current assets	4,636,692	68,922	4,705,614
Creditors due within one year	<u>(496,033)</u>	<u>-</u>	<u>(496,033)</u>
	<u>14,040,636</u>	<u>73,041</u>	<u>14,113,677</u>

	Unrestricted funds 2019	Restricted funds 2019	Total funds 2019
Tangible fixed assets	5,115,563	4,119	5,119,682
Fixed asset investments	4,696,068	-	4,696,068
Current assets	2,853,276	134,670	2,987,946
Creditors due within one year	<u>(626,267)</u>	<u>-</u>	<u>(626,267)</u>
	<u>12,038,640</u>	<u>138,789</u>	<u>12,177,429</u>

**23. PENSION COMMITMENTS**

The Charity makes contributions to certain pension schemes for its employees. The assets of these schemes are held separately from those of the Charity in independently administered funds. The pension cost charge represents contributions payable by the group to the fund amounted to £588,421 (2019: £585,822). Charges payable by the Charity amounted to £581,336 (2019: £580,363).

**HOPE HOUSE CHILDREN'S HOSPICES**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

**24. OPERATING LEASE COMMITMENTS**

At 31 December 2020 the total commitments under non-cancellable operating leases as follows:

	Land and Buildings		Other	
	2020	2019	2020	2019
	£	£	£	£
<b>Group and Charity</b>				
<b>Expiry date:</b>				
Within 1 year	393,298	316,007	13,614	18,105
Between 1 and 2 years	291,000	203,917	11,702	10,425
Between 2 and 5 years	537,750	361,583	13,112	3,766
After more than 5 years	16,521	31,771	-	-
	<u>1,238,569</u>	<u>913,278</u>	<u>38,428</u>	<u>32,296</u>

During the year operating lease charges were recognised as rent expenses in the following; the cost of operating the charity shops £355,719 (2019: £324,119); hospice activities undertaken directly £22,917 (2019: £24,333); support costs £15,250 (2019: £15,000).

During the year operating lease charges were recognised as vehicle lease expenses in the following; raising charitable donations £591 (2019: £4,543); cost of operating charity shops £20,990 (2019: £18,129); hospice activities undertaken directly £12,106 (2019: £11,966); support costs £nil (2019: £2,379).

**25. RELATED PARTY TRANSACTIONS**

During the year some of the members of staff of all group entities made donations to the Charity and played the lottery run by Hope House (Lottery) Limited. All these transactions were conducted under normal commercial terms.

A policy exists to prohibit the directors of Hope House (Lottery) Limited, trustees of Hope House Children's Hospices, and senior managers and employees directly involved in the running of the lottery, from taking part in the lottery.

Trustees and their related companies made donations to the charity totalling £41,185 (2019: £35,680).

Hope House (Trading) Limited and Hope House (Lottery) Limited are 100% owned subsidiaries of Hope House Children's Hospices.

Included in other debtors with the Charity are the intercompany balances of £1,712 (2019: £804) and £1,462,026 (2019: £267,232) owing from Hope House (Trading) Limited and Hope House (Lottery) Limited respectively. All the profits of the subsidiaries for the period have been distributed by Gift Aid to the Charity. The profits for the year totalled £44,758 (2019: £60,956) for Hope House (Trading) Limited and £1,424,489 (2019: £926,623) for Hope House (Lottery) Limited.

Hope House (Trading) Limited charged £3,046 (2019: £4,540) to Hope House Children's Hospices for operating the gift aid scheme on the sale of new goods.

**26. ULTIMATE CONTROLLING PARTY**

The charity is controlled by the trustees.

