

DERIAN HOUSE CHILDRENS HOSPICE

Report of the Trustees and Financial Statements 2020



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Reference and Administrative Information

Charity Commission Number	1005165
Tax exemption number	XN 81887
GAYE number	CT607/01
Company registration number	02050110 (England and Wales)
Trustees	Mrs Karen Swindley Miss Helen Rotheram ^{o*} Mr James Cole ^{o*} Mr Stephen Game Mr Andrew Chatterjee Mr Christopher Monk ^o Mr Matthew Cowburn Dr Lisa Kauffmann Ms Jane Robinson [*] Director of Derian House Children's Hospice Shops Limited ^o Member of the Finance and Income sub committee

Senior Management Team:

Chief Executive Officer	Mr David Robinson
Clinical Director	Mrs Lynn Grayson
Finance Manager	Mrs Diane McNally
Income Generation Manager	Mr Kevin Bedford
Facilities/ Managed Services Manager	Mr Luke Bateson
HR Manager	Mr Ben Leavesley
Compliance Manager	Mrs Vanessa Spinks
Communications & Marketing Manager	Mrs Caroline Taylor

Senior Care Team:

Hospice Manager	Mrs Lisa Barlow
Family and Young People's Service Manager	Mrs Dawn Andrews
Clinical Educator	Miss Siobhan McCoy
Community Service Manager	Mrs Clare Grady-Smith

Registered Office and Principal address Derian House, Chancery Road, Astley Village, Chorley, PR7 1DH

Professional Advisors:

Bankers	Virgin Money, 44 Fishergate, Preston, PR1 8BH
Auditors	RSM UK Audit LLP, Bluebell House, Brian Johnson Way, Preston, PR2 5PE
Investment Managers	Brewin Dolphin Ltd, 1 The Avenue, Spinningfields, Manchester, M3 3AP Veritas Investment Management LLP, 90 Long Acre, London, WC2E 9RA
Solicitors	Napthens, 7 Winckley Square, Preston, PR1 3JD
Visiting Medical Officers	Dr Qamar Ahmed, Croston Village Surgery, Croston PR26 9HJ Dr Elizabeth Craghill, Floor 2, 9 Portland Street, Manchester. M1 3BE Dr Rebecca Boyes Rutlands, Sandy Lane, Mawdesley L40 2QB Dr Suzanne J Heald, Library House Surgery, Chorley PR7 2AD

Introduction

Welcome to Derian House Childrens Hospice financial report for 2020

The report celebrates some of our many achievements over the past year and shows how we've spent your generous donations.

2020 has been, as for everyone, a very challenging year for Derian as we navigated our way through the ever-changing world in COVID-19. I am proud to say that the team at Derian House continued to provide care and support to over 400 children and young people and their families, all be it in new, safe ways. We were there for those families at the Hospice and at their homes and also through virtual channels such as ZOOM.

We received our official Outstanding rating from the CQC in January 2020 and I am very proud of this amazing achievement for everyone at Derian. The rating highlights the brilliant work the team at Derian does to provide the best possible services for our children, young people and their families. It is our commitment every day to continue to grow and develop outstanding care and services, and our leadership team together with everyone at Derian are committed to this challenge.

Our newly refurbished hospice buildings look amazing and our families have enjoyed the larger, brighter modern facilities. Even through the challenges of 2020 we have remained open whilst adopting new COVID-Secure policies to ensure everyone is safe. We have continued offering respite and also day care where families have been able to use our pool, cinema and gardens as a family unit allowing them to have time out of the house in a safe and familiar environment.

The challenges of a pandemic have changed the way we raise funds and our income generation teams have adapted their ways of working. The cancellation of events and the challenges faced by our corporate supporters continue to be difficult. We have seen amazing support from our community who have found amazing ways of raising funds for our charity and we thank them all for their commitment to Derian. Our retail network has also had to navigate its way through these difficult times. On a positive note, we have opened a new store in Preston and have more plans for the future.

One of our objectives has been to reach more families and the leadership team have been working hard with CCGs and local NHS Trusts to make this happen. We have worked to secure funding through the pandemic and have seen this support come from CCGs and NHS England which has really helped through these uncertain times.

Our Derian on Holiday service managed to provide holidays to 40 families for a free week's break (at times when government advice allowed) in 2020.

We extended year three of our three year strategic aims by six months to allow for the impacts of the pandemic. We are however, pleased to report on plans for financial sustainability by achieving a balanced budget in 2020.

After a very demanding and uncertain year, we feel we are prepared for the journey out of the pandemic with solid, robust plans. Without question, we will see further challenges ahead but the leadership team is ready to face these whilst always putting the children and young people at the heart of everything we do.

A big thank you to all of our generous supporters for enabling us to provide a vital service to the children and young people of Lancashire, South Cumbria and Greater Manchester. It is only thanks to your kind donations that we are able to ensure that in the North West, every child matters.

Thank you



Karen Swindley
Chair of Trustees



Trustees Report

The Trustees, who are also Directors of the charity for the purposes of the Companies Act, submit their annual report and the audited financial statements for the year ended 31 December 2020. The Trustees have adopted the provisions of the statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in 2015 in preparing the annual report and financial statements of the charity.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The charity is a company limited by guarantee. It is governed by a Memorandum and Articles of Association last updated on 9th January 2018 and is excused from the requirement to use the word 'limited' as part of its name.

Trustees are elected in accordance with the Memorandum of Articles and meet four to six times per year. A panel comprising existing Trustees selects members of the Trustee Board, who each stand for re-election every 3 years in accordance with the Articles of Association, generally subject to a maximum of 9 years unless otherwise agreed by the Board of Trustees. Trustees are selected in general for their proven expertise and experience in professional, business and activity areas relevant to the charity. On joining the Board the Trustees are given what is considered an appropriate level of training and undergo annual performance reviews.

Board Committees

The Board of Trustees also oversee operations of the Hospice through a set of Board Subcommittees:

- Quality, Safety and Improvement sub-committee operates to ensure all aspects of the Hospice's care provision, along-side health and safety, are closely monitored and discussed and areas are highlighted for improvement.
- Finance and Income sub-committee operates to monitor and discuss all financial aspects of the Hospice with a focus on diversity of income generation streams, cash flow, investment and reserve policies and overall financial capacity of the charity.
- HR Strategic sub-committee monitors our people management and wellbeing, with a focus on ensuring we have a strong, well trained and motivated workforce for the long term sustainability of the charity.
- Audit and Risk sub-committee oversees the audit activity within the Hospice and ensures that the audits are fit for purpose in providing the Board with assurance. The sub-committee also oversees how the Hospice is reviewing and assessing all the risks which it may face.

Executive Management

The day to day running of Derian House and the exercise of executive responsibilities are carried out by the Chief Executive Officer who attends meetings of the Board along with the Clinical Director and other Senior staff. Senior staff also attend and report to the Board Sub-committees.

OBJECTIVES AND ACTIVITIES

Derian House was established to provide care to children who have a life-threatening or life shortening condition, and to support families of such children who are in conditions of need, hardship or distress through the provision of a hospice and related support services.

Derian House now provides care and support to children and young adults from 0-26 years (and transitional services up to the age of 28) in a purpose built hospice with separate facilities for those aged 18+. Care and support is provided to the whole family through the provision of:

- Regular short planned breaks
- Emergency admission for symptom control
- Derian at Home
- End of life care in the hospice or at home
- Pre and post bereavement support to the whole family
- Education and training

Our vision is "Helping children and young people, whose lives are too short, to make happy memories in an environment of fun, respect and above all, high quality care".

Strategic Report

ACHIEVEMENTS AND PERFORMANCE

Care Services

The past year has brought with it challenges that no-one anticipated having to face and the impact of the pandemic and restrictions has been felt throughout the Care Team but also across the children, young people and their families. Derian House has had to adapt the ways in which we support children and their families but this has led to innovative new ways of working, many of which we will continue with as we move forward. The team have embraced technology to support remote working, this has enabled bereavement support and counselling sessions to continue. The young adults have made use of Zoom calls for quiz nights and cookery competitions. The Community Team adopted garden visits to families in the summer months and the Play Team have provided activity packs and organised play sessions delivered via a Facebook group.

Engagement with external providers has continued to strengthen again supported by the use of remote working and we have been able to formalise these links with increased support from Clinical Commissioning Groups, including the agreement of our first NHS Commissioned

contract. Work has progressed with the Lancashire and South Cumbria Integrated Care System to develop a strategy for children's palliative care. This work will establish Derian House as a Specialist Centre for the area and will develop over the coming years, meaning children and their families will be able to receive the highest quality of care closer to home.

Closer working with NHS and Local authorities has seen wide use of the commissioned respite beds for hospital step-down care and also transition from hospital to a permanent residential placement. Feedback from families in these situations has been excellent, demonstrating the value of this level of support. The provision of this service has also added to the income for Derian House and we will continue to offer this arrangement where needed.

The trainee Advanced Practitioners have recently qualified having successfully completed their training and we are excited to see the development of this role. The impact on the care we are able to provide and the benefits to the children is already visible. As a result, we will be recruiting an additional trainee with the post financially supported by Central Lancashire CCG, this will also enable the Advanced Practitioners to provide in-reach into the local Acute Trust. Alongside these developments we have seen growth in the perinatal services and community teams as the reach of service provision extends across Lancashire, South Cumbria and Greater Manchester. The success of the Transition Worker post has been recognized by the LifeNoW charity who have agreed a further two years of funding for the post. As a result of this success there are plans to widen the transition work across Greater Manchester in collaboration with a local adult hospice.

As the provider of specialist palliative and end of life care it is essential that our workforce is highly skilled and knowledgeable. A robust education strategy has been developed by the Clinical Educator with the development of a new programme of education and training for our own team. There are plans to widen the training provision to reach other services over the next year.

Finally, as we come to the end of our current three-year strategy, we have undertaken a comprehensive needs assessment of our families and stakeholders that will help us develop services in line with need over the next three years. This has given us some exciting avenues to explore further so as we emerge from unprecedented times we can look to the future with optimism, ambition and confidence.

Fundraising

We began 2020 with significant plans; building on the successes of the prior year we set ourselves ambitious, stretching but achievable goals, and began to see positive performances for the activities we had commenced. The challenges of 2020 hit our Income Generation Team significantly as, like many, we were overwhelmed by the pandemic and the need to review all our plans for the short and long term.

Successive lockdowns and restrictions have significantly impacted our plans: our teams have worked remotely for most of the year, with all internal events cancelled. The impact on our corporate supporters has been significant alongside many other operational challenges.

However, it has not all been bad news. We knew what we couldn't do, but we also knew that our community supporters were out there, looking to make a difference. We launched our 'Do it for Derian' campaign which proved to be massively successful and enabled us to come within reach of our community budget for the year. We were privileged to support a diverse range of fundraising activities from online Zumba to Sky Diving Grannies! It really showed the amazing support we have from our community at Derian House.

Our Lottery has continued to grow (hitting our target for numbers of players, despite the restrictions) and has delivered higher than forecasted income. Regular Giving, which is also an important source of income, increased by 12% during the year. We have also trialled direct mail campaigns for the Derian Lottery, Sponsor a Nurse, Regular Giving and the Preston store opening, with great success.

How we talk to our donors is very important and a key focus has been ensuring our database is managed well and cleansed. It is a vital part of how we promote our activities at the charity and keep everyone informed in the right way. We have seen active donors (those who donated in the last 2 years) increase by around 25%, and we will continue to grow these numbers as a key aim.

Retail has been massively impacted by lockdown and not being in a position to trade, even so there are highlights to celebrate. Our online sales have grown massively through platforms such as eBay, Depop and Discogs alongside Facebook Market Place. We opened a new flagship store in Preston in record time and we restructured the warehouse to become a Donation and Distribution centre, streamlining our handling of donations and ensuring the right stock is in the right shops for the right consumer. Our Christmas retail campaign via Danni's Diary also significantly exceeded expectations.

We continue to focus on Trust and Grant income and have supported applications for Statutory Funding. This has been especially important as many pandemic support funds have been available.

Meeting our corporate fundraising ambitions has been very challenging and we made the decision to change our strategy late in 2020 as donations failed to materialise. We will focus on major corporate donors and continue to review the Corporate Connect Club.

It is without question that 2020 has been a very difficult year, but our Income Generation Team has risen to the challenge, innovated, built on opportunities and - despite the challenges - delivered over £2.3m income.

Income Generation for 2021 will remain challenging. We welcome that challenge and we have innovative ideas and plans to take advantage of opportunities, to inspire fundraising, grow our retail offering and to connect and engage with our donors.

Volunteers

As the pandemic hit in March 2020, the impact on volunteering across the organisation was significant. Many of our volunteers were in the vulnerable category and as such followed government guidance to shield. We also had strict access rules to the Hospice which stopped many

volunteers returning until much later in 2020. Sadly, we have also seen some of our volunteers reviewing their daily life and deciding to step down from their roles, and we are of course sad to see them leave.

It was therefore a priority in 2020, once restrictions were lifted, to roll out a brand new marketing campaign: 'Derian needs you'. We aimed to expand the number of retail volunteers across all shops, including our new Preston flagship store, and successfully signed up 12 new retail volunteers. Further lockdown restrictions have slowed recruitment down but we will focus on driving our volunteer numbers when we are able.

Communication with our volunteers has been vital throughout the pandemic. We stepped up with a regular newsletter and updates to help our volunteer community still feel informed and valued as part of the team. There were positive results from the Birdsong survey conducted in October 2020 and many volunteers have been in touch to advise that they cannot wait to return when restrictions allow.

Strategic Aims

Our overarching aim is to continue to provide excellent care to Children and Young People with life limiting/threatening conditions. We believe that we have a solid foundation from which to innovate and respond to opportunities and challenges, having the following strategic aims:

1. Provide safe and outstanding care by understanding the needs of our children and young people.
2. Be a great place to have your career and make your mark.
3. Build our reputation as a worthy and well respected charity.
4. Lead the way in children and young people's palliative care.
5. Embrace the future by being innovative and flexible.
6. Be financially sustainable.

FINANCIAL REVIEW

Review of the year and year end position

Income from donations, legacies and grant income

Income from donations, legacies and grant income for the year ended 31 December 2020 increased from £2,947,802 in 2019 to £3,224,709 in 2020.

Expenditure on charitable activities for the operation of the Hospice

The expenditure on charitable activities for 2020 was £3,685,017, an increase of £61,816 on 2019.

It was a challenging year, with fundraising income having been impacted by COVID-19 but new income streams having been developed has resulted in our ability to turn the previous year deficit into a surplus in 2020. We continue to see the impact of COVID-19 into 2021.

Derian House Children's Hospice Shops Limited

This company is a wholly owned subsidiary of Derian House Childrens Hospice and carries out trading activities on behalf of the charity selling donated goods and bought in goods such as cards and giftware. Four (2019: four) outlets on short term leases and one owned outlet was rented out, but no profits were gifted to the Charity in both 2019 and 2020. In 2020 we did open a new shop in Preston, but overall it was a very difficult year for retail in general as a result of a number of closures during COVID-19 lockdown periods being imposed.

Investments

As at 31 December 2020, Derian House held £16.08m in its long term investment portfolio (2019: £15.71m). Investment income in 2020 was £221,243 compared with £298,849 in 2019.

The investments saw an increase in market value in 2020 of £361,455 compared to a decrease in 2019 of £404,968. In 2019 the decrease was due to capital drawdowns through- out the year, used to fund the investment in the Hospice Refurbishment and deficit.

The only way to enjoy the benefits of market growth is to remain at risk in the market and steps have been taken to try to ensure that the risk is minimised and that in the long term significant gains will be realised.

Investment and Reserves Policy

The level of reserves, £16,076k at 31 December 2020 (2019: £15,715k) reflects the Trustees' assessment of the potential risks to the Charity's income and expenditure, future capital spending, potential liabilities, budget deficits and emergencies.

Derian House has a high dependency upon fundraising (in the form of both donations and legacies), with a relatively low proportion of income coming from the NHS and other government bodies (and even that is not guaranteed income each year). Expenditure is relatively fixed in the short term as staff costs and infrastructure costs make up a large proportion of the annual spend. It is therefore considered prudent to maintain a minimum level of free reserves equivalent to approximately three years annual spending to ensure the continuity of services and long term security to the children, young people and families supported by Derian House, as well as staff members in the event of a major shortfall in income.

The Trustees also consider it sensible to maintain a Legacy equalisation fund within Derian House's reserves. Derian House relies heavily on the legacy income received each year, including one million pounds in its annual budget. If legacy income was to dramatically fall in any one year and not achieve the budget, this fund could be released.

Any free reserves over and above this should be invested in the development of services and the infrastructure of the Hospice for the benefit of its users.

The main objectives for the investment of the reserves are:

- To achieve a reasonable overall return whilst preserving capital in the medium to long term;
- To invest in a diversified portfolio to protect against market volatility; and
- To maintain appropriate liquidity against any near term needs.

The time horizon for the investment portfolio is long term (i.e. in excess of ten years) to support the ongoing viability of Derian House, although the assets in the portfolio are not permanent endowment and both capital and income can be distributed from the portfolio at any time in the furtherance of Derian House. Holdings in the portfolio should therefore be realisable at relatively short notice under normal market conditions.

To protect real value of the assets in the portfolio and generate a reasonable income yield from the portfolio, the long term real return target for the portfolio has been set at 3.5% per annum after RPI inflation or 6.5% in nominal terms assuming RPI inflation averages 3% per annum in line with the trend over the past 30 years. This target is net of management fees. The ARC Balanced Asset Charity benchmark will be used by Trustees to compare performance of both firms.

A reasonable level of capital volatility within the investment portfolios is considered by the Trustees to be acceptable given the investment portfolios' long term time horizon and real return objectives. The portfolios should, nevertheless, be well diversified across asset classes and individual investments.

The Trustees wish to invest in a socially responsible manner and the investment manager is expected to take into account environmental, social and governance issues in their investment analysis and decision-making process and engage with company management when appropriate.

Diversification within the portfolios should be such as to limit the maximum downside risk in the portfolio in any one year period in normal market conditions (98% of the time) to 15-20%, which is generally accepted as a medium risk level.

The Trustees review this policy annually in light of changes to the Charity's economic and operating environment.

The Trustees have plans in place to invest a proportion of the reserves held in current and new services, which will both improve and increase those services available to the children, young people and their families supported by the charity.

Principal Risks and Uncertainties

Delivery of the services provided by the Charity is delegated to the CEO and the Trustees ensure that the delivery is in accordance with the Charity's aims and objectives by a number of internal controls, which also operate to provide reasonable assurance against material misstatement or loss. The procedures include;

- Preparation of an annual business plan and budget for consideration and approval by the Trustees;
- Regular reviews of financial performance, comparison with the approved business plan and explanation of variances at least monthly by the CEO and Finance Manager. The results of such examinations are then considered at the regular Trustee meetings;
- Regular meetings of the CEO with the Chair of the Trustees;
- The delegation and segregation of authorities and duties to prevent any one individual exercising control of key areas;
- Appraisal of the Chair and Board of Trustees through the appraisal system; and
- Strategic Risk Register completed and reviewed by the Board of Trustees in line with the Risk Policy.

COVID-19 Impact

As a provider of a vital health care service to the most vulnerable children and young people, the impact has been significant. The clinical teams across the Hospice have had to implement changes to all aspects of the provision of care, both in-house and in the community. The ever-changing advice and guidance has been operationally challenging and we have maintained clear policies and procedures in line with our COVID-Secure guidance. We have changed many aspects of how we provide care to protect the children and young people as well as our staff with the introduction of protective equipment and standard operating procedures. Our clinical and family support services have remained open throughout and we have embraced new ways of working through technology and flexible staffing approaches.

In line with Hospice UK and NHS England negotiations we have been supporting our local NHS Trusts in providing step-down care for vulnerable children and young people allowing them to leave the hospital environment and come into the hospice setting. We have remained available 24/7 to ensure we were there for our community and our NHS if needed.

Financially, COVID-19 impacted our income generation, specifically the cancellation of all our events for 2020 which were forecast to generate over £250,000. We have also seen a decline in corporate support as many businesses have closed through lockdown and furloughed staff, many others are working from home which does not allow for the normal fundraising activity within businesses. We believe business recovery from a fundraising perspective will be slow as the focus is inevitably on their own internal recovery and we do not foresee income figures returning to

prior year levels until probably late 2021 or even into 2022. Community fundraising has been less impacted and we have seen great support from our supporters since the start of COVID-19. Most of our non-clinical teams have worked from home since March 2020 and our Facilities and IT support have ensured this has been as seamless as possible.

We have also worked actively with NHS England, Local Authorities, CCGs, Hospice UK and with Trust and Grant providers to secure funding for our Hospice. This has proved to be very successful and allowed us to reduce the financial impact of COVID-19 in 2020. Our long term plan was to diversify our income streams and this strategy has help us weather the ongoing impact of the pandemic.

STATEMENT OF RESPONSIBILITIES OF THE TRUSTEES

The Trustees (who are Directors of Derian House Childrens Hospice for the purposes of company law) are responsible for preparing the Annual Report (including the 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 financial position of the group and charitable company and of the incoming resources and application of resources, including the income and expenditure, of the group for that period. In preparing these financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgements and estimates that are reasonable and prudent; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and charitable company will continue in operation.

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

STATEMENT OF DISCLOSURE OF INFORMATION TO AUDITORS

The Trustees who held office at the date of approval of this Trustee Report confirm that, so far as they are each aware, there is no relevant audit information of which the charitable company's auditors are unaware; and each Trustee has taken all the steps that they ought to have taken as a Trustee to make themselves aware of any relevant audit information and to establish that the charitable company's auditor are aware of that information.

AUDITORS

In accordance with the Companies Act 2006 a resolution proposing the appointment of RSM UK Audit LLP as Auditor will be put to the members.

In approving the Trustees' Report, we also approve the Strategic Report included therein, in our capacity as company Directors. This report was approved by the Board of Trustees on 14 June 2021



Karen Swindley
Chair of the Board of Trustees

Independent Auditor's Report to the Members of Derian House Childrens Hospice

Opinion

We have audited the financial statements of Derian House Children's Hospice (the 'charitable company') for the year ended 31 December 2020 which comprise as the Consolidated Statement of Financial Activities, the Consolidated and Charity Balance Sheets, the Consolidated and Charity Cash Flow Statements and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

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

Basis for opinion

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's 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 other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report or the Strategic Report included within the Trustees' Report.

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

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

Responsibilities of trustees

As explained more fully in the Statement of Trustees' responsibilities set out on page 9, 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.

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

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory framework that the charitable company operates in and how the charitable company is complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Charities SORP (FRS 102), Companies Act 2006, Charities Act 2011 and the charitable company's governing document. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing the financial statements including the Trustees' Report, reviewing minutes of meetings held in the year for any instances for non-compliance and remaining alert to new or unusual transactions which may not be in accordance with the governing document.

The most significant laws and regulations that have an indirect impact on the financial statements are the Care Quality Commission. We reviewed the latest rating awarded to the Charity by the Care Quality Commission and correspondence with the regulator during the year.

The audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to any significant, unusual transactions and transactions entered into outside the normal course of business and challenging judgments and estimates.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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



Karen Musgrave (Senior Statutory Auditor)

For and on behalf of RSM UK AUDIT LLP, Statutory Auditor

Chartered Accountants

Bluebell Way

Preston

PR2 5PE

Date 22 June 2021

Consolidated Statement of Financial Activities

for the year end 31 December 2020 (Including income and expenditure account)

	Note	Unrestricted Funds	Restricted Items	Total 2020	Total 2019
		£	£	£	£
Incoming resources					
Incoming resources from generated funds					
Income from donations, legacies and grant income	2	2,316,959	907,750	3,224,709	2,947,802
Income from other trading activities	3	439,932	-	439,932	504,457
Investment income	4	221,243	-	221,243	298,849
Incoming resources from charitable activities	5	559,130	660,031	1,219,161	17,440
Total incoming resources		3,537,264	1,567,781	5,105,045	3,768,548

Resources Expended

Costs of raising funds					
Costs of generating voluntary income	6	621,529	-	621,529	520,356
Commercial trading operations	6	432,098	-	432,098	399,484
Investment management costs		102,109	-	102,109	149,299
Expenditure on charitable activities – operation of Hospice	7	2,130,736	1,554,281	3,685,017	3,623,201
Total Resources Expended		3,286,472	1,554,281	4,840,753	4,692,340

Net incoming/(outgoing) resources before transfers		250,792	13,500	264,292	(923,792)
Gross transfers between funds		-	-	-	-
Net incoming/(outgoing) resources before other recognised gains and losses		250,792	13,500	264,292	(923,792)
Net realised /unrealised gains on investment assets	13	1,458,714	-	1,458,714	2,102,980
Net realised gain on revaluation of property		32,091	-	32,091	-
Net movement in funds		1,741,597	13,500	1,755,097	1,179,188
Total funds at 1 January 2020		21,197,360	-	21,197,360	20,018,172
Total funds at 31 December 2020	18	22,938,957	13,500	22,952,457	21,197,360

All of the above results are derived from continuing activities.

The statement of financial activities includes all gains and losses recognised in the year and therefore no separate Statement of Total Recognised Gain and Losses is presented.

The surplus for the year for Companies Act purposes comprises the net incoming resources for the year plus realised gains and unrealised and realised losses on investments and was £483,820 in 2020 (net outgoing resources of £876,980 in 2019).

The notes on pages 16 to 24 form part of the financial statements.

Consolidated and Charity Balance Sheet

As at 31 December 2020

	Note	Group		Charity	
		2020	2019	2020	2019
		£	£	£	£
Fixed assets					
Tangible fixed assets	12	4,957,265	4,995,920	4,805,603	4,900,452
Investments	13	16,076,335	15,714,880	16,076,335	15,714,880
Investment in subsidiary company	14	-	-	1,000	1,000
		21,033,600	20,710,800	20,882,938	20,616,332
Current assets					
Stock of goods		21,736	3,521	-	-
Debtors	15	713,502	458,140	1,009,499	579,098
Cash at bank and in hand		1,594,001	453,212	1,492,970	404,874
Total Current Assets		2,329,239	914,873	2,502,469	983,972

Liabilities

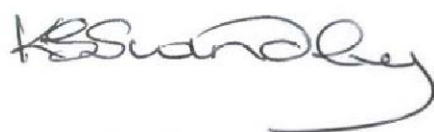
Creditors: amounts falling due within 1 year	16	(410,382)	(428,313)	(358,778)	(397,439)
Net current assets		1,918,857	486,560	2,143,691	586,533
Net assets		22,952,457	21,197,360	23,026,629	21,202,865

Unrestricted funds:

General funds		19,977,830	19,025,407	19,977,830	19,025,407
Revaluation reserve		3,035,299	2,177,458	3,035,299	2,177,458
Non charitable trading funds		(106,263)	(5,505)	-	-
Non charitable revaluation reserve		32,091	-	-	-
Restricted funds:					
General funds		13,500	-	13,500	-
Total charity funds		22,952,457	21,197,360	23,026,629	21,202,865

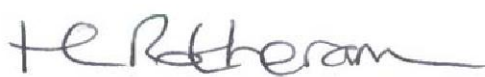
As permitted by S408 Companies Act 2006, the Charity has not presented its own Statement of Financial Activities and related notes as it prepares Group Accounts. The individual Charity's surplus for the year was £1,823,764 (2019: £1,163,864).

The financial statements on pages 13 to 24 were approved by the Trustees on ^{14 June 2021} and signed on their behalf by:



Karen Swindley

Trustee



Helen Rotheram

Trustee

Consolidated and Charity Cashflows

for the year ended 31 December 2020

	Group		Charity	
	2020	2019	2020	2019
	£	£	£	£
Reconciliation of net movement in funds from operating activities				
Net Movement in funds	264,292	(923,792)	365,049	(939,118)
Investment income	(221,243)	(298,849)	(226,243)	(293,849)
Operating surplus/(deficit)	43,049	(1,222,641)	138,806	(1,232,967)
Depreciation	156,072	142,575	146,075	138,648
(Profit) on disposal of fixed assets	(1,660)	-	(1,660)	-
(Increase)/Decrease in stocks	(18,215)	889	-	-
(Increase) in debtors	(255,362)	(354,697)	(430,401)	(353,661)
(Decrease)/Increase in creditors	(17,932)	251,272	(38,661)	232,204
Cash used in operating activities	(94,048)	(1,182,602)	(185,841)	(1,215,776)
Cash used in operating activities	(94,048)	(1,182,602)	(185,841)	(1,215,778)
Cashflows from Investing activities				
Investment income	221,243	298,849	226,243	293,849
Capital expenditure and financial investments				
Payments to acquire tangible fixed assets	(85,326)	(1,481,460)	(51,226)	(1,472,785)
Purchase of fixed asset investments	(4,420,624)	(3,075,856)	(4,420,624)	(3,075,854)
Sale of tangible fixed assets	1,660	-	1,660	-
Sale of fixed asset investments	5,890,166	5,491,900	5,890,166	5,491,900
Movement in investment portfolio cash	(372,282)	91,904	(372,282)	91,904
	1,013,594	1,026,488	1,047,694	1,035,165
Increase in cash and cash equivalents in the year	1,140,789	142,735	1,088,096	113,238
Increase in cash and cash equivalents in the year	1,140,789	142,735	1,088,096	113,238
Cash and cash equivalents as at 1 January 2020	453,212	310,477	404,874	291,636
Cash and cash equivalents as at 31 December 2020	1,594,001	453,212	1,492,970	404,874

The notes on pages 16 to 24 form part of the financial statements

Notes to the Financial Statements

For the year end 31 December 2020

1. Accounting Policies

(a) Basis of preparation

The financial statements have been prepared under the historical convention, with the exception of investments which are included at market value.

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The statement of financial activities (SOFA) and balance sheet consolidate the financial statements of the charity and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis

The charity has availed itself of Paragraph 4(1) of Schedule 1 of the Large and medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 and adapted the Companies Act formats to reflect the special nature of the charity's activities. Total incoming resources for the charity were £5,076,979 (2019: £3,768,548) and the net increase in funds was £1,717,710 (2019: £1,179,188). The parent Company's surplus for the year for Companies Act purposes was £1,823,764 (2019: £1,163,864).

(b) Going Concern

The accounts have been prepared on a going concern basis, which is considered appropriate by the Trustees as there are no material uncertainties that may cast doubt about the Charity's ability to continue as a going concern and reserve levels are such that there is no doubt as to the sustainability of the Charity for the foreseeable future.

(c) Company Status

The charity is a private company limited by guarantee and registered in England and Wales. The members of the company are the Trustees named on Page 2. 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.

(d) 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 comprise unrestricted funds that have been set aside by the Trustees for particular reasons. The aim and use of each designated fund is set out in the notes to the financial statements.

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

(e) Incoming resources

All incoming resources are included in the SOFA when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy. For legacies, entitlement is the earlier of the charity being notified of an impending distribution or the legacy being distributed. Grants are recognised in the SOFA when receivable. When donors specify that grants given to the charity must be used in the future financial years the income is deferred until that year. Assets and investments donated to the charity are included as donation income at market value at the time of receipt.

Items donated for resale are included as income when they are sold. Donated facilities are included at the value to the charity where this can be quantified and a third party is bearing the cost. No amounts are included in the financial statements for services donated by volunteers.

(f) Resources expended

All expenditure is accounted for on an accruals basis and has been allocated to the appropriate heading in the accounts. Costs of generating funds include the costs incurred in attracting voluntary income and those incurred in trading activities that raise funds. Charitable activities expenditure comprises those costs incurred by the charity in the delivery of its activities and services for the beneficiaries. Governance costs are those associated with meeting the constitutional and statutory requirements of the charity such as audit fees and preparation of the statutory accounts.

Support costs are those costs which enable fund generating and charitable activities to be undertaken. Where expenditure relates to more than one cost category it is apportioned. The method of apportionment uses the basis of full time equivalent staff numbers. The irrecoverable element of VAT is included with the item of expenditure to which it relates.

(g) Tangible fixed assets

Tangible assets costing more than £1,000 are capitalised and included at cost including any incidental expenses of acquisition. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost on a straight line basis over their expected useful economic lives as follows:-

Hospice long leasehold land and buildings	the shorter of the remaining lease term and 125 years
Hospice fixtures and fittings	over 8 years and over 4 years
Office fixtures and fittings	over 4 years
Shop land and buildings	over 50 years
Shop fixtures and fittings	over 3 years
Office equipment	over 3 years
Motor vehicles	over 4 years and over 3 years

(h) Investments

Investments are stated at market value at the balance sheet date, the cost of investments includes commission paid to the investment managers. The SOFA includes the net gains and losses arising on revaluations and disposals throughout the year. Investments held in foreign currencies have been valued on the relevant basis and translated into sterling at the rate ruling at the balance sheet date. Exchange gains and losses arising on translation are included as part of the change of market value in the investments. The charity also has an investment in Derian House Children's Hospice Shops Ltd, a wholly owned subsidiary, of which it has full control.

(i) Stocks

Stock consists of purchased goods for sale and is valued at the lower of cost and net realisable value. Items donated for resale are not included in the financial statements until they are sold.

(j) Pensions

The group contributes to the NHS defined benefit superannuation scheme. This is a multi-employer pension scheme and it is not possible to identify the assets and liabilities of the scheme which are attributable to the group. In accordance with FRS 102 Section 28 therefore, the scheme is accounted for as a defined contribution scheme. The group also contributes to defined contribution schemes for staff who are ineligible to join the NHS superannuation scheme at the same rate as that set by the NHS superannuation scheme. The assets of all schemes which the group contributes to are held separately from those of the group in independently administered funds. All contributions payable for the year are charged in the SOFA.

(k) Finance and operating leases

Rentals paid under operating leases are charged to the SOFA over the period in which the cost is incurred.

(l) Taxation

The charity is exempt from tax by virtue of Section 505(1) of the Income and Corporation Taxes Act 1988 subject to the continuing requirement that income be applicable and applied to charitable purposes only.

Deferred tax is provided in full on timing differences which represent a liability at the balance sheet date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements. Deferred tax is measured on a non-discounted basis.

(m) Investment Properties

Investment properties are properties which are held for rental income. These are held at fair value, revalued by an appropriately qualified external party as deemed necessary, and therefore there is no requirement for depreciation to be calculated.

(n) Critical accounting judgements and key sources of estimation uncertainty

In applying the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions in determining the carrying amounts of assets and liabilities. The trustees' judgements, estimates and assumptions are based on the best and most reliable evidence available at the time when the decisions are made and are based on historical experience and other factors that are considered to be applicable. Due to the inherent subjectivity involved in making such judgements, estimates and assumptions, the actual results and outcomes may differ. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods.

Critical accounting judgements

The critical accounting judgements that the trustees have made in the process of applying the charity's accounting policies that have the most significant effect on the amounts recognised in the statutory financial statements are discussed below.

- The trustees do not consider there to be any critical accounting judgements

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

- The revaluation of the Investment Property within the Subsidiary undertaking's accounts is based on the valuation provided by an external expert.

(o) Financial Instruments

The group only has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments, including trade and other debtors and creditors are initially recognised at transactions value and subsequently measured at settlement value.

2. Income from donations, legacies and grant income

	2020	2019
	£	£
Donations and gifts	1,254,625	1,745,078
Legacies	1,010,257	823,785
General fundraising for Hospice	53,270	24,361
Department of Health Grants	878,491	354,578
Furlough claims	28,066	-
Total	3,224,709	2,947,802

Grants of £878,491 (2019: £354,578) were awarded from the Department of Health under S64 of the Health Service and Public Health Act 1968 and at the discretion of the Secretary of State. Of this, grant contribution funded by NHS England for 2020/2021 was £313,547 (2019/2020: £209,301). This grant is recoverable if it is not used for the purpose for which it was given or the Hospice is in breach of extensive conditions.

Furlough claims totalling £67,296 were received in 2020 (2019: nil), £28,066 relating to the Charity and a further £39,230 relating to the subsidiary.

The charity benefits greatly from the involvement and enthusiastic support of its many volunteers. In accordance with FRS 102 and the charities SORP (FRS 102), the economic contribution of general volunteers is not recognised in the accounts.

3. Income from other trading activities

	2020	2019
	£	£
Fundraising events	-	84,044
Lottery	78,972	25,564
Shop Income (note 14)	334,710	394,849
Bank Incentive	26,250	-
Total	439,932	504,457

Shop Income includes £49,668 COVID Grants and £39,230 Furlough claims (2019: nil).

4. Investment income

	2020	2019
	£	£
Dividends on investment	220,783	297,093
Bank interest	460	1,756
Total	221,243	298,849

5. Incoming resources from charitable activities

	2020	2019
	£	£
Other grant and service agreements	70,733	17,440
Transitional care	503,397	-
Hospice UK COVID Grant funding	645,031	-
Total	1,219,161	17,440

Other grant and service agreements income includes £15k from Bolton Council (2019: £15k). This grant, together with the £645,031 received from Hospice UK, is recoverable if it is not used for the purpose for which it was given or the Hospice is in breach of extensive conditions.

i. Cost of raising funds

	2020	2019
	£	£
Cost of raising voluntary income;		
Salaries and related costs	372,692	298,289
Fundraising consultant	-	15,363
Other promotional costs	189,604	148,513
Travelling, training and recruitment	861	9,346
Support costs (note 8)	58,372	48,845
Fundraising trading - costs of goods sold and other costs:		
Fundraising events	1,630	24,959
Shops expenditure (note 14)	430,468	374,525
Total	1,053,627	919,840

7. Charitable activities expenditure

	2020	2019
	£	£
Salaries and related costs:		
Care Team	2,252,651	2,270,464
Support services	271,114	244,209
Total	2,523,765	2,514,673
Provision of care service	112,901	126,854
Occupancy costs	145,513	133,788
Equipment costs	49,761	32,532
Refurbishment costs	20,570	33,537
Travelling, training and recruitment	39,106	55,984
Motor expenses	24,090	16,275
Depreciation	127,173	118,523
Support costs (note 8)	642,138	591,035
Total	3,685,017	3,623,201

8. Allocation of support costs

	Allocated to charitable activities	Allocated to Fundraising	2020	2019
	£	£	£	£
Salaries and related costs	438,020	39,815	477,835	494,502
Postage and telephone	22,540	2,049	24,589	18,310
Printing and stationery	4,385	399	4,784	4,913
Legal and Professional fees	31,543	2,868	34,411	25,650
Travelling, training and recruitment	1,865	170	2,035	2,862
Computer and other costs	122,679	11,152	133,831	64,490
Office equipment costs	0	0	0	4,355
Governance costs	3,779	344	4,123	4,673
Depreciation	17,327	1,575	18,902	20,125
Total	642,138	58,372	700,510	639,880

Support costs are allocated on the basis of full time equivalent staff numbers

9. Net income/expenditure for the year

	2020	2019
	£	£
This is stated after charging:		
Operating lease rentals – land and buildings	54,978	58,565
Depreciation	156,072	142,575
Auditors' remuneration	4,123	4,660
Auditors' remuneration from subsidiary (included in shops expenditure – note 14)	4,190	3,640

10. Trustees numeration and benefits

The Trustees consider that they together comprise the key management personnel of the charity in charge of directing and controlling the charity having overall responsibility for ensuring the hospice is managed efficiently. In terms of the charity's subsidiary, the Board is responsible for the overall direction and management.

All Trustees are volunteers and receive no remuneration in connection with their duties as Trustees.

There were no Trustees' expenses paid for the year ended 31 December 2020 nor for the year ended 31 December 2019.

11. Staff costs

	2020	2019
	£	£
Salaries	3,131,952	2,934,996
Social security costs	279,589	258,114
Pension costs	260,533	265,741
Total	3,672,074	3,458,851

Pension costs are allocated to activities in proportion to the related staffing costs incurred and are wholly charged to unrestricted funds. The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2020	2019
£60,001 - £70,000	-	1
£70,001 - £80,000	1	1

The average number of employees, analysed by function was:

	2020	2019
Hospice	78	85
Hospice at home	7	6
Generating voluntary income	10	10
Fundraising activities	18	17
Support	17	20
Total	130	138

12. Fixed assets

GROUP	Hospice long leasehold land and building	Fixtures and fittings	Office fixtures and fittings	Shops property	Shops Investment property	Office equipment	Motor vehicles	Group total
Cost	£	£	£	£	£	£	£	£
At 1 st January 2020	4,948,684	1,202,517	188,741	8,026	92,909	19,760	89,030	6,549,667
Additions	34,774	20,059	-	27,823	-	2,670	-	85,326
Disposals	-	-	-	-	-	-	(16,275)	(16,275)
Revaluation	-	-	-	-	32,091	-	-	32,091
At 31 st December 2020	4,983,458	1,222,576	188,741	35,849	125,000	22,430	72,755	6,650,809
Depreciation								
At 1 st January 2020	391,832	878,823	168,280	7,971	-	19,760	87,081	1,553,747
Charge for year	56,438	71,240	18,902	6,653	-	890	1,949	156,072
Eliminated on disposal	-	-	-	-	-	-	(16,275)	(16,275)
At 31 st December 2020	448,270	950,063	187,182	14,624	-	20,650	72,755	1,693,544
Net book value at 31st December 2020	4,535,188	272,513	1,559	21,225	125,000	1,780	-	4,957,265
At 31 st December 2019	4,556,852	323,694	20,461	55	92,909	-	1,949	4,995,920

The Investment Property was valued at market value of £125,000 by Robert Pinkus & Co on 29 April 2021.

CHARITY	Hospice long leasehold land and building	Hospice Fixtures and Fittings	Office fixtures and fittings	Motor vehicles	Charity total
Cost	£	£	£	£	£
At 1 st January 2020	4,948,684	1,141,436	188,741	63,230	6,342,091
Additions	34,774	16,452	-	-	51,226
Disposals	-	-	-	(16,275)	(16,275)
At 31 st December 2020	4,983,458	1,157,888	188,741	46,955	6,377,042
Depreciation					
At 1 st January 2020	391,832	820,246	168,280	61,281	1,441,639
Charge for year	56,438	68,786	18,902	1,949	146,075
Eliminated on disposal	-	-	-	(16,275)	(16,275)
At 31 st December 2020	448,270	889,032	187,182	46,955	1,571,439
Net book value at 31st December 2020	4,535,188	268,856	1,559	-	4,805,603
At 31 st December 2019	4,556,852	321,190	20,461	1,949	4,900,452

13. Fixed asset Investments

	UK listed investments	Portfolio cash	2020 total	2019 total
	£	£	£	£
Market value at 1 st January 2020	15,133,424	581,456	15,714,880	16,119,850
Additions	4,420,624	-	4,420,624	3,075,854
Disposal proceeds	(5,890,166)	-	(5,890,166)	(5,491,900)
Movement in portfolio cash	-	372,282	372,282	(91,904)
Net investment gains(losses)	1,458,715	-	1,458,715	2,102,980
Market value at 31 st December 2020	15,122,597	953,738	16,076,335	15,714,880
Historical cost at 31 st December 2020	12,367,838	953,738	13,321,576	13,913,472

	2020	2019
	£	£
UK investments are represented by:		
Equity shares	10,414,894	11,772,921
Fixed interest securities	4,707,703	3,360,503
Total	15,122,597	15,133,424

The above investments include direct holdings and investment and unit trust holdings.

At 31 December 2020 £9,616,529 (2019: £7,653,654) was held in investments overseas.

The largest single holding was in Vanguard Funds Plc and amounted to £585,873. In 2019 the largest single holding was MI Select Manager North American Equity Dis and amounted to £571,693.

Fees of £102,109 were incurred during 2020 (2019 £149,299).

14. Investment in subsidiary company (Registered Company Number : 02914583 (England and Wales))

The charity owns the whole of the issued ordinary share capital of Derian House Children's Hospice Shops Limited, a company incorporated in England. The subsidiary is used for non-primary purpose trading, namely the sale of donated goods through four shops. All activities have been consolidated on a line by line basis in the SOFA. The subsidiary donates its taxable profits to the charity each year by gift aid.

In the opinion of the Trustees the investment in the charity's subsidiary undertaking is worth the amount at which it is stated in the balance sheet of £1,000.

Audited financial statements of the subsidiary company for the year ended 31 December 2020, on which an unqualified audit opinion has been given, to be delivered to the Registrar of Companies.

A summary of the results are shown below:

	2020	2019
	£	£
Summary profit and loss account		
Income	334,710	394,849
Cost of sales	(18,876)	(25,586)
Administrative expenses:		
Staff costs	(278,650)	(219,249)
Operating lease rentals	(54,978)	(58,565)
Auditors remuneration	(4,190)	(3,640)
Other direct costs	(73,774)	(67,485)
Loan interest	(5,000)	(5,000)
Net profit(loss) on ordinary activities	(100,758)	15,324
Gain on revaluation of property	32,091	-
Amount gift to Derian House Childrens Hospice	-	-
Profit/(deficit) subsidiary	(68,667)	15,324

	2020	2019
	£	£
Balance sheet as of 31st December 2020		
Tangible fixed assets	151,662	95,468
Stock	21,736	3,521
Debtors	23,226	20,889
Cash at bank	101,031	48,338
Creditors: amounts falling due within one year	(370,827)	(172,721)
Net (liabilities)/assets	(73,172)	(4,505)
Share capital	1,000	1,000
Profit and loss account	(74,172)	(5,505)
Total	(73,172)	(4,505)

15. Debtors

	Group 2020	Group 2019	Charity 2020	Charity 2019
	£	£	£	£
Amounts due from undertakings	-	-	319,223	141,847
VAT	78,526	245,497	74,756	245,497
Trade Debtors	45,886	-	45,886	-
Other Debtors and Prepayments	589,090	212,643	569,634	191,754
Total	713,502	458,140	1,009,499	579,098

16. Creditors

	Group 2020	Group 2019	Charity 2020	Charity 2019
	£	£	£	£
Trade creditors	63,593	168,132	24,793	149,265
Social security and other taxes	72,394	70,284	72,394	70,284
Other creditors	43,744	44,270	43,744	39,668
Accruals and deferred income	230,651	145,627	217,847	138,222
Total	410,382	428,313	358,778	397,439

Included in the Accruals figures above are deferred income figures as noted below.

	Group 2020	Group 2019	Charity 2020	Charity 2019
	£	£	£	£
Deferred income	153,986	82,007	153,986	82,007
Total	153,986	82,007	153,986	82,007

	£
Deferred Income	
Deferred Income at 1 January 2020	82,007
Income deferred in the year	71,979
Deferred Income at 31 December 2020	153,986

Deferred income refers to the proportion of income received from the Department of Health in the year ended 31 December 2020 for 2020/2021 that relates to 2021. At as 31 December 2020 this was £153,986 (2019: £82,007).

17. Financial Commitments

As at 31 December 2020 the group has outstanding commitments for future lease payments under Non-cancellable leases as follows:

	Land and Buildings 2020	Land and Buildings 2019
	£	£
Operating leases with expire within one year	23,266	22,000
Between one and five years	75,000	36,000
Total	98,266	58,000

18. Funds

	At 1 Jan 2020	Income	Expended	Investment gains	Transfers	At 31 Dec 2020
	£	£	£	£	£	£
Restricted funds						
Department of health	-	878,491	(878,491)	-	-	-
Other	-	689,290	(675,790)	-	-	13,500
Total restricted funds	-	1,567,781	(1,554,281)	-	-	13,500
General funds	19,025,407	3,207,554	(2,856,004)	1,458,714	(857,841)	19,977,830
Revaluation reserve fund	2,177,458	-	-	-	857,841	3,035,299
Total unrestricted funds	21,202,865	3,207,554	(2,856,004)	1,458,714	-	23,013,129
Charity	21,202,865	4,775,335	(4,410,285)	1,458,714	-	23,026,629
Non Charitable trading funds	(5,505)	373,940	(474,698)	32,091	-	(74,172)
Subsidiary	(5,505)	373,940	(474,698)	32,091	-	(74,172)
Group	21,197,360	5,149,275	(4,884,983)	1,490,805	-	22,952,457

General funds represent the free funds of the charity which are not designated for particular purposes.

Purposes of designated funds

The Revaluation Reserve Fund is required by the Companies Act 2006 and represents the amount by which investments exceed their historical cost.

Purposes of restricted funds

The Department of Health fund are grants provided under S64 of the Health Service and Public Health Act 1968 and are awarded at the discretion of the Secretary of State and are recoverable if not used for the purpose for which they were given or the Hospice is in breach of extensive conditions. £313,547 was received from NHS England for 2020/21 (£209,301 for 2019/20). This is included in the restricted funds figure above. Also included is £15,000 received from Bolton Council for 2020/2021 (£15,000 for 2019/20).

Transfers between funds

Transfers between funds have been made to reflect the movements on the revaluation reserve fund in accordance with the Companies Act requirements and to show the gifting of profits from the trading subsidiary.

19. Analysis of net asset between funds

Group fund assets are represented by:

	Unrestricted funds	Designated funds	Restricted funds	2020 Total	2019 Total
	£	£	£	£	£
Tangible fixed assets	4,925,174	32,091	-	4,957,265	4,995,920
Investments	13,041,036	3,035,299	-	16,076,335	15,714,880
Current assets	2,315,739	-	13,500	2,329,239	914,873
Current liabilities	(410,382)	-	-	(410,382)	(428,313)
Total	19,871,567	3,067,390	13,500	22,952,457	21,197,360

Charity fund balances are represented by:

	Unrestricted funds	Designated funds	Restricted funds	2020 Total	2019 Total
	£	£	£	£	£
Tangible fixed assets	4,805,603	-	-	4,805,603	4,900,452
Investments	13,042,036	3,035,299	-	16,077,335	15,715,880
Current assets	2,488,969	-	13,500	2,502,469	983,972
Current liabilities	(358,778)	-	-	(358,778)	(397,439)
Total	19,977,830	3,035,299	13,500	23,026,629	21,202,865

20. Capital Commitments

	Group 2020	Group 2019	Charity 2020	Charity 2019
	£	£	£	£
Future capital expenditure				
Contracted but not provided for	82,788	-	82,788	-

21. Related Parties

The charity has taken the exemption under FRS 102 Section 33 'Related party disclosures' not to disclose transactions with group companies. There were no further transactions with related parties in the year.