

Derian House Childrens Hospice

Financial Statements

For The Period

1 January 2023 to 31 March 2024



DERIAN HOUSE CHILDRENS HOSPICE

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REFERENCE AND ADMINISTRATIVE INFORMATION

Registered Office & Principal address	Derian House Chancery Road Astley Village Chorley PR7 1DH
Company Registration Number	02650110 (England and Wales)
Charity Commission Number	1005165
Tax Exemption Number	XN81887
GAYE Number	T607/01
Trustees	Karen Swindley Helen Rotheram ^{^*} Christopher Monk [^] Andrew Chaterjee ^{^*} (appointed 5 April 2023) Arshad Rafiq ^{^*} (appointed 5 April 2023) Davina Hanlon (appointed 5 April 2023) Rick Bolton (appointed 5 April 2023) Helen Curtis (appointed 6 November 2023) Claire Granato (appointed 17 May 2024) Matthew Cowburn (resigned 4 March 2024) Jane Robinson (resigned 28 September 2023) Stephen Game (resigned 31 May 2023) Lisa Kauffmann (resigned 17 April 2024) [*] Director of Derian House Children's Hospice Shops Limited [^] Member of the Finance and Income sub committee
Senior Management Team:	
<i>Chief Executive Officer</i>	Karen Edwards, OBE
<i>Chief Nurse</i>	Catherine Randall (appointed 1 September 2023)
<i>Director of Clinical Services</i>	Bridget Thomas (appointed 20 May 2024)
<i>Director of Clinical Services</i>	Lynn Grayson (resigned 30 November 2023)
<i>Director of Human Resources</i>	Kim Owen
<i>Director of Income</i>	Caroline Taylor
<i>Head of Finance</i>	Colin Taylor (resigned 11 June 2024)
<i>Head of Facilities and Infrastructure</i>	John Boe (appointed 20 November 2023)
<i>Head of Facilities and Infrastructure</i>	Luke Bateson (resigned 31 December 2023)
<i>Head of Governance and Compliance</i>	Anthony Mohammed (appointed 11 December 2023)
<i>Head of Governance and Compliance</i>	Vanessa Spinks (resigned 7 May 2023)
Professional Advisors:	
<i>Bankers</i>	Virgin Money, 44 Fishergate, Preston PR1 8BH
<i>Auditors</i>	MHA, 9 Winckley Square, Preston PR1 3HP
<i>Investment Managers</i>	Brewin Dolphin Ltd, 1 The Avenue, Spinningfields, Manchester M3 3AP Veritas Investment Management LLP, 90 Long Acre, London WC2E 9RA
<i>Solicitors</i>	Napthens, 7 Winckley Square, Preston PR1 3JD
<i>Visiting Medical Officers</i>	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

DERIAN HOUSE CHILDRENS HOSPICE

WELCOME MESSAGE

Introduction

Welcome to our financial report in which we'll show how we have helped children and young people from across the North West during the period 1 January 2023 to 31 March 2024.

We are lucky to have the most wonderfully loyal and dedicated supporters here at Derian House, who have enabled the team to provide a range of outstanding services and care to our growing number of families. The North West of England continues to have a higher number of children and young compared with other regions across the UK, with life limiting and life shortening conditions, and research continues to show that these numbers are increasing. This coupled with a challenging landscape for other healthcare providers and funding crisis within the ICBs and the NHS, only go to further demonstrate, how critical the hospice is for families across GM and L&SC.

At Derian House Children's Hospice, it is our mission to reach as many of these children and young people as possible, ensuring that we remove the barriers that may lay in their way, as we provide outstanding palliative, respite and end of life care.

We offer a complete family approach, providing a range of post bereavements services for as long as it is needed. I am happy to report that it has been a busy year at the hospice, caring for a total of 411 babies, children and young people and their families.

This year has been a very special year for Derian House as we have celebrated our 30th anniversary. Ian Haydock lost his 19 old brother Derek after his battle with Duchenne Muscular Dystrophy in 1969, after which Ian and his family set up a fundraising group with the goal of building a children's hospice in Lancashire. It was a time when there were very few hospices in the country for children. They were successful in achieving their goal and Derian House (Derian being a combination of the names Derek and Ian) was born from there. Supporters, press and schoolchildren gathered to watch local celebrities dig the first turf at a ceremony in 1992. In 1993, Derian House Children's Hospice welcomed its first child through the door and the rest is a very special history, just like Derian itself, special.

Not only have we been celebrating our anniversary this year, but also we have welcomed a new Chief Executive. Karen has proved to be an outstanding leader and a real driving force in moving us forward and ensuring that we have another successful 30 years in the pipeline. We have also welcomed a number of new members to the senior management team and the trustee board who again will support us in continuing to provide care and support to more than 400 babies, children, young people and their families from across the North West.

I would also like to take this opportunity to pay tribute to all the staff and volunteers at Derian House, who continue to support the children, young people and families that we are proud to serve.

In 2024 and the years to come we will deliver against an ambitious strategic plan, improving our services, creating opportunities for families to really be involved in key decisions that affect them, and upgrading our facilities to ensure that we remain fit for purpose and future proof.

Together we are making a difference and making sure that every child matters.

Thankyou

K Swindley

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Karen Swindley
Chair of the Board of Trustees

DERIAN HOUSE CHILDRENS HOSPICE

OUR CARE IN FIGURES

This year we cared for 411 babies, children and young people.

We provided 2,035 nights of overnight care, giving them a chance to have fun while their families rested and recharged.

We were there for 86 families to support when they needed us most, with end of life care at the hospice and at home.

We looked after 74 neonatal babies.

We sent 144 families sent on a free week's holiday to our lodges where they made happy memories.

Families enjoyed 168 cinema sessions at Derian at the Movies – our in-house cinema.

A total of 45 people received counselling sessions to help them work through their grief and come to terms with difficult circumstances.

Children and their families enjoyed 71 splash sessions in our hydrotherapy pool.

We ran 11 different support groups.

We cared for 136 siblings, with support groups and fun days out.

DERIAN HOUSE CHILDRENS HOSPICE

CASE STUDY: Tommy's Story

By Dan, Tommy's Dad

Our precious son Tommy lived for four years, four months and 27 days.

During that time he brought more joy and sunshine into our lives than we could have ever hoped for.

Tommy was born with Down's Syndrome. We hadn't had the tests – we didn't care. I remember my first thought was "he'll just be more cuddly." And he was. Everyone who met him fell in love with him.

It was in September last year when we first noticed something wasn't right. We were on holiday in France and Tommy was much sleepier than usual, but we put it down to the heat.

When we got home Tommy developed a rash and so we took him to the doctor. They sent us straight to hospital and it was there that they told us he had leukaemia.

By December we'd been given the news that Tommy wasn't going to make it and we were determined to make our last Christmas together perfect.

The next few months were spent making as many memories as we could, and Derian House helped us.

Tommy enjoyed swimming in the hydrotherapy pool, relaxing in the sensory room and even doing some baking.

When we were at Derian they looked after us all and fed us three times a day. It took the pressure off and allowed us to just spend time together making happy memories.

Tommy passed away peacefully at Derian House on 23 March 2024, with me and his mum lying by his side.

I carried him to the Sunflower Room, which is a special cold bedroom they have where children can lay at rest.

Derian staff decorated the room with all his teddies and put cartoons on the TV for him.

Over the next days we got to make hand and footprints which we now cherish, and family got to visit to say their goodbyes.

Derian House continues to support us now, even after Tommy has gone. I've started going to the bereaved dads' group, which is a great group of guys who all just get it.

We know the staff at Derian will be there for us whenever we need them.

DERIAN HOUSE CHILDRENS HOSPICE

TRUSTEES' REPORT

The Board of 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 period ended 31 March 2024, which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

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

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 other Senior staff. Senior staff also attend and contribute to the Board Sub-committees.

Objectives and Activities for Public Benefit

Derian House was established to provide care to children and young people who have a life-threatening or life limiting condition, and to support the families of such children and young people through the provision of a hospice and related support services.

The Board of Trustees refer to the Charity Commission's general guidance on public benefit when reviewing the charity's aim and objectives and in planning future activities. In particular, the Board consider how planned activities will contribute to the aims and objectives they have set.

DERIAN HOUSE CHILDRENS HOSPICE

TRUSTEES' REPORT (*continued*)

Derian House provides care and support for babies, children, young people and young adults from 0-26 years (and transitional services up to the age of 28) in a purpose built hospice with separate children's (The House) and young adults (The Lodge) accommodation and age appropriate facilities. 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 community service
- End of life care in the hospice or at home
- Pre and post bereavement support to the whole family
- Education and training

Future Plans

Derian House is at an exciting time in its journey to be a centre of excellence in the North West for children's palliative and end of life care. The appointment of a new CEO, additional senior managers and additional trustees has enabled the charity to re-evaluate its strategic plan and set a path for continued growth throughout 2025 and beyond. Central to this is the voice of children, young people and their families, and our wider stakeholder network, which is why we have chosen to invest in our engagement team. Ensuring sufficient reserve levels are maintained is key to being able to plan accordingly and ensure sustainability for our most vulnerable and complex families.

STRATEGIC REPORT

Care Services

Situated in the heart of Lancashire Derian House provides care across Lancashire, South Cumbria and large parts of Greater Manchester. We are renowned throughout the region as being at the forefront of children's and young peoples' palliative and end of life care. Our holistic approach ensures we offer a range of services meeting the diverse range of needs to those who use our services and to their families.

We provide 24-hour care to Babies, Children and Young People (BCYP) from birth to their 26th birthday (0-25). Our services are provided free of charge to those who meet our criteria, with the majority of our income coming from the generosity of the communities we serve.

Families who have a BCYP with a life threatening or limiting condition can choose from a range of care and support services to meet their individual needs, with care available either in their home or at Derian House.

Our emphasis is, and always will be, on giving every support we can to children, young people and their families. In a year where the hospice celebrated its 30th birthday it is an opportunity to reflect on how the provision of hospice care has changed, but at the same time maintained the individualised needs of the child, young person and their family central to all services delivered. There has continued to be growth and development in all areas of hospice services as we continue with our aim to be recognised as a centre of excellence for the provision of palliative and end of life care for children and young people. Our aim and priority remains to deliver the highest standards of care possible and we are proud to have maintained a CQC rating of Outstanding.

Innovations in practice and service development have been recognised as examples of good practice both regionally and nationally. The work of the Advanced Clinical Practitioners in providing hospital in-reach services has been promoted nationally as a NHSE exemplar project and presented at national conferences and meetings. Other organisations are now implementing similar models of working to promote early referral to hospice services, prevention of hospital admissions and earlier discharge home. The team has supported children with complex symptom management at the end of life and of particular note is the excellent teamwork to support the withdrawal of mechanical ventilatory support for a child whose family had challenged the medical decision through the legal system. It was a challenging time for all involved but the child was able to die peacefully and with dignity surrounded by her family and with members of her faith community around her in line with specific religious beliefs that would not have been possible in hospital. Because of this care, Derian House teams now work more closely with the children's hospital concerned and have seen an increase in referrals for care and greater collaborative working across a range of specialities.

DERIAN HOUSE CHILDRENS HOSPICE

TRUSTEES' REPORT (*continued*)

We provide CQC regulated services for the following bands:

- Children aged 0-3
- Children aged 4-12
- Children aged 13-18
- Adults aged 18-25 (up to their 26th Birthday)

Hospice Update

2023/24 was a challenging but hugely successful year. We cared for over 400 Babies, Children and Young People (BCYP) and their families at Derian House and in the community and despite a challenging fundraising environment, we have continued to develop and improve all our services.

Catherine Randall joined the team as Clinical Director/Chief Nurse in September 2023 with a wealth of experience including working as the Head of Commissioning for Children Services in Lancashire and also as a former Chief Nurse in Manchester and Associate Director for Safeguarding for NHS England.

A new Head of Quality, Governance & Compliance joined us in December, and brings a wealth of healthcare quality and governance expertise gained in acute, maternity, mental health and private healthcare settings.

In January 2024 we moved all our care records from the electronic patient records system EMIS across to Care Database; a move which has been hugely beneficial for all our staff and BCYPs. During the rest of 2024 we will roll-out the system to both our End of Life and Community colleagues to aid our integrated reporting functionality and business performance intelligence for continuous improvement and commissioner reporting.

There are a number of factors, which can affect the quality of the service Derian House delivers. Our quality strategy looks at a number of sources to provide safe and effective person-centered care. It takes into account a number of influencing factors:

- Policies and Procedures
- Legislation
- Regulation
- Registration
- Research
- Joint learning
- CQC service specific guidance - Hospices for children and young people
- Charity Commission requirements

Say My Child's Name

More than eight out of 10 parents who have suffered the loss of a child say they feel sad that people don't speak about their son or daughter, according to research carried out by Derian House. This year, we undertook the largest research project of its kind and spoke to more than 70 bereaved families whose loss spanned 20 years.

The findings were stark – with many people saying they had lost friends and experienced people avoiding them in social situations because they didn't know what to say. Families said they desperately want to talk about their child, and that people shouldn't feel worried about saying the wrong thing as nothing could be as bad as just avoiding the subject. We used the research to launch a campaign, "Say my Child's Name," which spread the message far and wide, with our video being watched more than 1 million times on Facebook. We also used the families' own words to create a practical guide for people on what to say and what not to say.

One parent shared, *"We want you to bring up our child, we love speaking about them. You won't remind us that they're gone, we're always thinking about them anyway."*

DERIAN HOUSE CHILDRENS HOSPICE

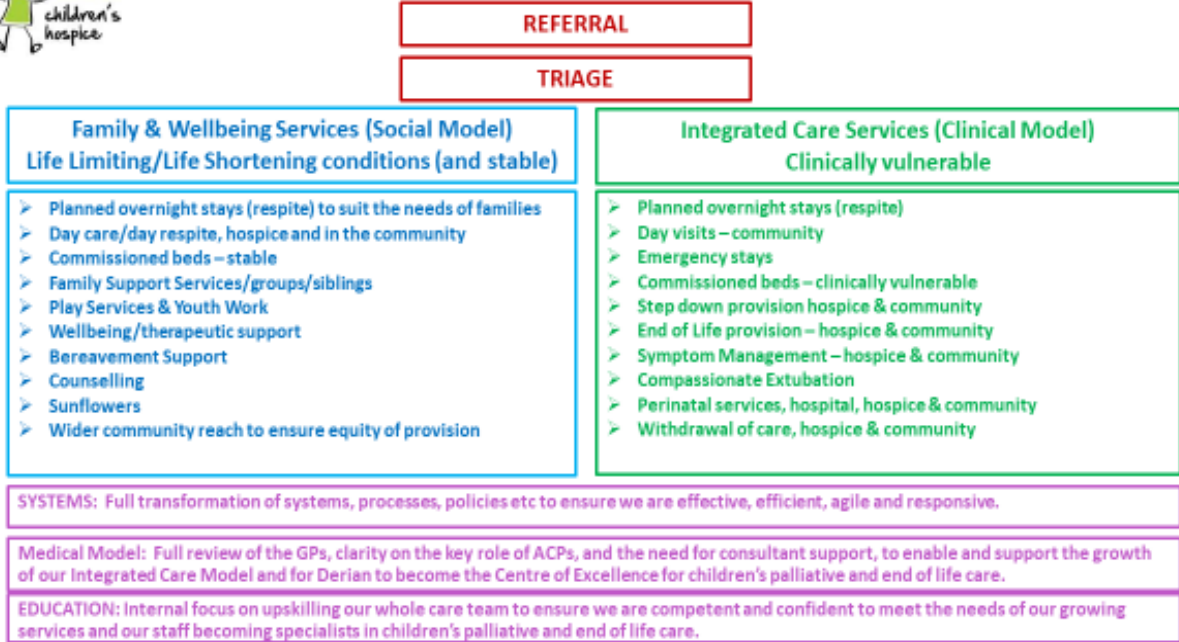
TRUSTEES' REPORT (continued)

During the year we have developed a new innovative Care Transformation programme which aligns with our new strategic plan. Annual plans have also been developed to deliver measurable outcomes against KPIs.



CARE Transformation Programme 2024 for B/CYP & YA

Derian House Children's Hospice exists to enhance the quality of life for children and young people with life limiting conditions from across the North West – from birth, through to end of life, and for their families in bereavement. We provide a range of outstanding personalised care including planned stays, end of life and wellbeing services to ensure families make the most of the time they have together.



In addition, a key element of services going forward is the addition of the Family Engagement Team, an independent team tasked with ensuring that families are fully involved in all aspects of the decisions made about their care and services. The team have developed the following strategic plan for delivery through 2024-2027:

Family Engagement Strategy



Our promise

We will always listen to, consult and engage with our children and their families, putting their views and needs at the heart of every decision.
 We will seek feedback frequently and shape our services using what children and families tell us they want.
 We will speak to our families in the way they want us to – using the tone, communication method and language their want.
 We will champion the voice of our families and use our platform to raise awareness of issues important to them.

Our ambitions	Engaged families who feel seen and heard.	Services that work	Fair access for all	To be innovative and future-proof to make an impact
How will we do this?	Consultation and feedback	Co-design	Representation	Communication
How we'll achieve this?	<ul style="list-style-type: none"> • Needs Assessment • Family Survey • Friends and Family test • Follow-up call following respite stays • "Yes" culture • Pick up on cues – don't make them ask 	<ul style="list-style-type: none"> • Every new service or change to service requires proof of family engagement • Active involvement of children, young people and families 	<ul style="list-style-type: none"> • Parent Trustees • CEO-led events • Youth Forum • Family engagement advocacy worker 	<ul style="list-style-type: none"> • Improved Texts • Family section of website • Quarterly newsletters • Derian House app • Overcome all obstacles in communication • Good engagement linked to staff recognition • Understand regional and national health inequality picture

DERIAN HOUSE CHILDRENS HOSPICE

TRUSTEES' REPORT (*continued*)

The whole team should be proud of their achievements and the recognition received over the last year as none of this would have been possible without their continued commitment, dedication and hard work. There will be challenging times ahead but it is also a period of opportunity to continue to develop services further to ensure that all children, young people and families receive the same high standards of palliative and end of life care and support wherever they are cared for.

Income (Fundraising, Communication & Marketing)

2023/24 was a successful 15 months for fundraising and marketing at Derian House Children's Hospice (we extended our financial year to March this year).

A strong performance throughout the period in all areas of fundraising meant the year ended ahead of budget, with fundraising activity breaking through the £3million barrier for the first time.

June 2023 also saw a record-breaking monthly performance, with fundraising activity exceeding £300,000 in one month for the first time.

Corporate donations performed very well, bringing in £549,488 - £178,488 ahead of budget. General donations and third-party events also surpassed expectations.

Legacies performed below budget, and a decision was made to seek to address this with a marketing campaign in 2024/25.

The Derian House Lottery performed well, bringing in £793,159, despite coming in slightly below budget. A decision was made to bring our lottery operations in-house in 2024 in order to gain more control and increase profits.

An increased focus on collecting Gift Aid paid off, with new processes in place to maximise this income stream.

This year presented a background of uncertainty with a cost of living crisis, but a detrimental effect on donations was not seen.

In 2023 we celebrated the hospice's 30th anniversary and enjoyed a year of celebrations, including producing 30 stories for 30 years, looking back at the people instrumental to Derian's rich history over that past three decades.

We began filming for *The Little Things*, a documentary about Derian House told by bereaved dad Paul Woodward, and backed by BAFTA-award winner Steve Pemberton as Executive Producer.

A campaign, *Say my Child's Name*, aimed at helping to give bereaved parents a voice, attracted press coverage and attention from across the sector, reaching more than one million people over social media, giving Derian House a reputational boost as the North West charity of choice.

A fundraising challenge completed by seven-year-old Oscar Burrow from Lancaster attracted major national media interest and raised £40,000 for the charity. Oscar pledged to climb 12 mountains to the height of Mount Everest this year. News of his epic adventure even attracted the attention of the royal household, with Oscar meeting Prince William and Princess Catherine, and receiving a Prime Minister's Point of Light Award.

Our social media continued to grow, reaching 23,000 on Facebook, solidifying our status as fastest-growing charity of our size on the platform.

Two successful direct mail campaigns telling the stories of our children brought in more than £101,794 and helped us to reach hundreds of new donors and to convert one-off donors to regular givers.

DERIAN HOUSE CHILDRENS HOSPICE

TRUSTEES' REPORT (*continued*)

A continued focus on our donor journey meant we could thank our donors in a more individual way, to build strong relationships.

The determination, resilience and creativity of our staff and volunteers meant we have been able to deliver an impressive performance in 2023/4. A strong relationship between fundraising, marketing and communications has led to an effective and aligned team.

Financial uncertainty prevails in 2024 in regards to statutory funding and the financial climate in general, but an appetite for growth and a desire to manage risk and increase organisational knowledge means we are forward-facing and optimistic.

Ethical Fundraising

Derian House Children's Hospice undertakes fundraising through various methods including organised events, individual giving, corporate and community partnerships, legacy giving, trusts and grants, direct mail campaigns, text to donate, a raffle and a weekly lottery.

All activity is compliant with the Fundraising Regulator, Code of Fundraising Practice, Gambling Commission, and other associated regulators. The charity has a strong reputation and strives for the highest possible standards of ethical conduct. It makes a promise in its income generation policy to ensure that all fundraising activities are legal, open, honest, fair, responsible and respectful.

It is the charity's policy not to engage in street fundraising commonly known as "chugging" and carries out all of its own fundraising apart from lottery membership, some of which is carried out by a third party.

The companies concerned, The Fundraising Partnership (face-to-face canvassing) and OTS (telephone canvassing) have excellent reputations and the charity is in regular contact with them to ensure they are representing Derian House effectively. We monitor and record the number of complaints received – none have been made this year.

Volunteers

We have had continued success in recruiting volunteers across all areas of Derian House, including retail, reception, catering and gardens. We had 63 new volunteers who joined us across the organisation from Jan 23 to the end of March 24 increasing our army of supporters giving their time freely to over 300.

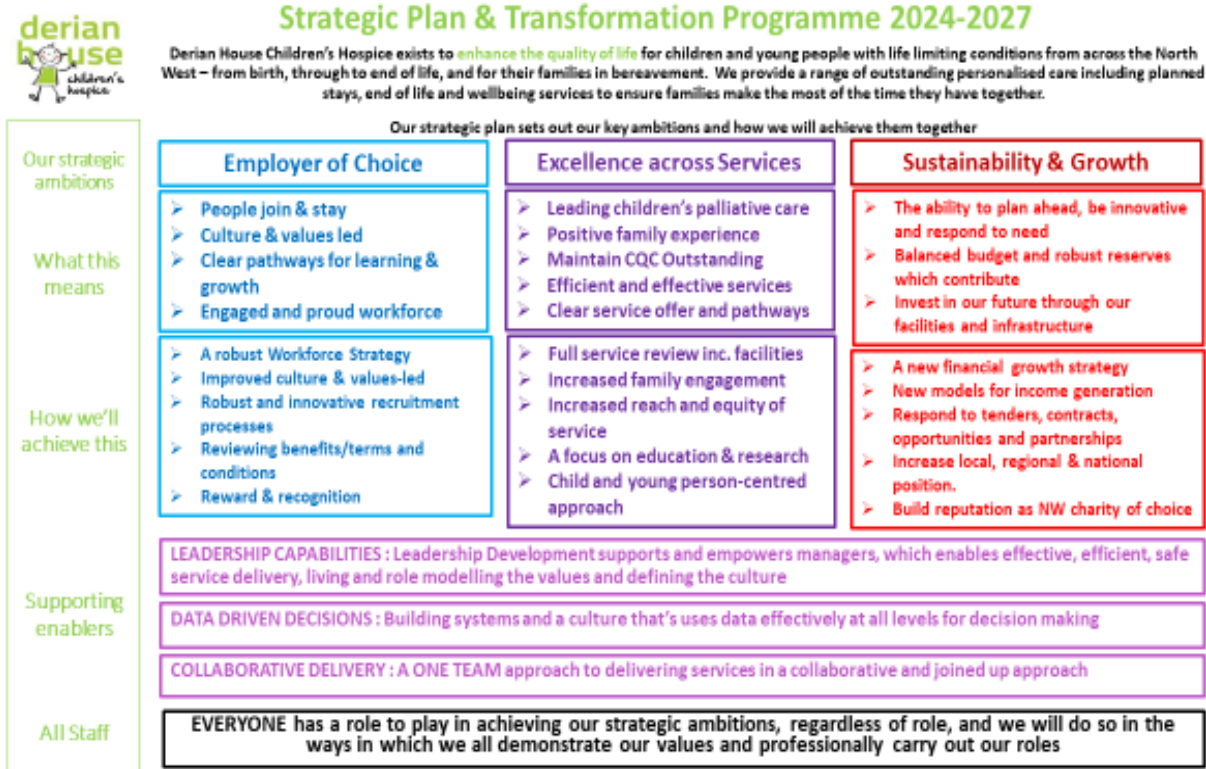
At Derian House, volunteers are at the heart of our teams and services, contributing in a variety of vital roles. From assisting with housekeeping, catering and gardening to welcoming families and visitors at reception, their support is invaluable. Many help with administrative tasks, ensuring smooth day-to-day operations, while others play a key role in our retail units by sorting donations and assisting with shop floor sales. Our events are brought to life by our dedicated group of helpers who take on tasks such as car park marshalling and collecting donations etc. Additionally, volunteers provide essential play services, including Sibling and Play Support, and Pet Therapy, creating engaging, fun, and supportive activities for children and their families. Their dedication helps us create a warm, welcoming environment for all.

DERIAN HOUSE CHILDRENS HOSPICE

TRUSTEES' REPORT (continued)

Strategic Aims

Our overarching aim is to continue to provide outstanding care to children and young people with life limiting and life threatening conditions. We believe that we have a solid foundation from which to innovate and respond to opportunities and challenges, having the following strategic plan in place, which, was developed with the whole workforce:



FINANCIAL REVIEW

Review of the period and period end position

Derian House Children's Hospice Shops Limited

This company is a wholly owned subsidiary of Derian House Children's Hospice and carries out trading activities on behalf of the charity selling donated goods and bought in goods such as cards and giftware. Five (2022:six) outlets on short term leases and one owned outlet was rented out, but no profits were gifted to the Charity in both 2023 and 2022. During the year a full strategic review took place and a new strategy developed. A reduction in staffing took place and a new business model implemented. The year has ended in a much healthier position than originally planned. We expect the shops to continue to perform well and to increase the portfolio.

Investments

As of 31 March 2024, Derian House held £17.19 m in its long term investment portfolio (2022 £15.17m). Investment income in the 15 month year 2023/24 was £357,615 compared with £225,519 in 2022.

DERIAN HOUSE CHILDRENS HOSPICE

TRUSTEES' REPORT (*continued*)

Investment and Reserves Policy

As a consequence of sound financial management and fiscal prudence, Derian House has accumulated Reserves. In considering how best to manage these Reserves the Trustees have taken the following into consideration:

- Derian House is dependent upon highly volatile funding streams (in the form of grants, donations and legacies) with a relatively low proportion of discretionary, insecure and fluctuating income coming from the NHS and other government bodies (with no guarantee it will continue beyond 12 months). Expenditure is relatively fixed in the short term as staff costs and infrastructure costs make up a large proportion of the annual spend.
- We care for over four hundred children and young people with long-term challenging life-limiting and life-threatening conditions a year. Due to:
 - (a) the complex nature of their conditions
 - (b) the level of clinical and other care required to support them and
 - (c) the lack of other suitable provision

The Trustees have decided it is prudent to designate a level of free Reserves equivalent to a maximum of 24 months annual running costs to ensure the continuity of services and long-term care to our children, young people and families, as well as staff members in the event of a major shortfall in income such as a global pandemic. The majority of these Reserves are invested and are viewed as an asset, and a key part of the charities financial sustainability strategy.

Based on the 2024/25 budget 24 months annual running costs equates to approximately £14m. At 31st March 2024 the free reserves were £18.7m. Therefore 24 months running costs are currently adequately covered. 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.

In addition, the charity is developing plans for capital investment across the hospice site, to enable it to deliver against its strategic plan. The remaining reserves will require designating for this purpose.

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.

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.

DERIAN HOUSE CHILDRENS HOSPICE

TRUSTEES' REPORT (*continued*)

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
- Strategic Risk Register completed and reviewed by the Board of Trustees in line with the Risk Policy

Trustees' Responsibilities Statement

The Board of trustees (who are also directors of the charity for the purposes of company law) are responsible for overseeing the preparation of the Trustees' 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) and for their approval.

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they 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 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 2019 (FRS102);
- make judgements and 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

DERIAN HOUSE CHILDRENS HOSPICE

TRUSTEES' REPORT (*continued*)

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 charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

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

Auditor

Following the merger of MHA Moore and Smalley with MHA, the company's independent auditor has now become MHA. A resolution proposing that MHA be re-appointed as auditor of the charity will be put to the Annual General Meeting.

This report which incorporates the Strategic Report was approved by the Board of Trustees on December 18, 2024

K Swindley

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Karen Swindley
Chair of the Board of Trustees

DERIAN HOUSE CHILDRENS HOSPICE

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS

Opinion

We have audited the financial statements of Derian House Childrens Hospice (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2024, which comprise Group Statement of Financial Activities, Company Statement of Financial Activities, Group Balance Sheet, Company Balance Sheet, Group Cash Flow Statement 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 group's and parent charitable company's affairs as at 31 March 2024, and of group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the trustees' 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.

DERIAN HOUSE CHILDRENS HOSPICE

INDEPENDENT AUDITOR'S REPORT *(continued)*

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 trustees' report (incorporating the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of our knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

Matters on which we are required to report by exception

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

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

Respective responsibilities of the trustees

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

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

Auditor responsibilities for the audit of the financial statements

We have been appointed auditor under the Companies Act 2006 and report in accordance with this Act.

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.

DERIAN HOUSE CHILDRENS HOSPICE

INDEPENDENT AUDITOR'S REPORT (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 specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

- Enquiries with management about any known or suspected instances of non-compliance with laws and regulations;
- Enquires with management about any known or suspected instances of fraud;
- Review of minutes of board meetings;
- Examination of journal entries and other adjustments to test for appropriateness and identify any instances of management override of controls;
- Review of legal and professional expenditure to identify any evidence of ongoing litigation or enquiries;
- Review of the systems for recording income, and testing of a sample of income transactions throughout the year to check they have been recorded in the accounts and in the correct period.

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

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

Use of report

This report is made solely to the charitable company's members, as a body, in accordance with the 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.

Nicola Mason

Nicola Mason MA(Cantab) ACA DChA
Senior Statutory Auditor
For and on behalf of MHA, Statutory Auditor
Preston, United Kingdom

December 18, 2024
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MHA is the trading name of MacIntyre Hudson LLP, a limited liability partnership in England and Wales (registered number OC312313)

DERIAN HOUSE CHILDRENS HOSPICE
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITES
(INCLUDING INCOME & EXPENDITURE ACCOUNT)
FOR THE PERIOD ENDED 31 MARCH 2024

	Note	Unrestricted Funds 2024 £	Restricted Funds 2024 £	Period ended 31 March 2024 £	Year ended 31 December 2022 £
Income from:					
Donations, legacies and grants	1	2,650,971	2,933,153	5,584,124	3,920,268
Charitable activities:	2	156,141	-	156,141	237,911
Other trading activities	3	1,875,238	-	1,875,238	1,288,836
Investment income	4	357,615	-	357,615	225,519
Total income		5,039,965	2,933,153	7,973,118	5,672,534
Expenditure on:					
Raising voluntary funds	5	933,268	-	933,268	904,006
Commercial trading activities	6	939,899	-	939,899	854,247
Investment management costs		140,757	-	140,757	110,227
Charitable activities	7	3,396,135	2,911,228	6,307,363	4,467,012
Total expenditure		5,410,059	2,911,228	8,321,287	6,335,492
Net income/(expenditure) before other gains and losses	9	(370,094)	21,925	(348,169)	(662,958)
Gain/(loss) on investments	13	2,165,733	-	2,165,733	(1,954,366)
Net income/(expenditure)		1,795,639	21,925	1,817,564	(2,617,324)
Transfers between funds	18	-	-	-	-
Net movement in funds		1,795,639	21,925	1,817,564	(2,617,324)
Total funds b/fwd	18	21,637,905	28,075	21,665,980	24,283,304
Total funds c/fwd	18	23,433,544	50,000	23,483,544	21,665,980

All of the above results are derived from continuing activities. All gains and losses recognised in the year are included above. The surplus for the year for Companies Act purposes comprises the net incoming resources for the year net of unrealised profits and losses on investments and was £76,746 (2022: £618,784 deficit).

DERIAN HOUSE CHILDRENS HOSPICE
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITES
(INCLUDING INCOME & EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	Unrestricted Funds 2022 £	Restricted Funds 2022 £	Total 2022 £	Total 2021 £
Income from:					
Donations, legacies and grants	1	2,404,828	1,515,440	3,920,268	3,087,023
Charitable activities:	2	37,983	199,928	237,911	562,863
Other trading activities	3	1,288,836	-	1,288,836	856,039
Investment income	4	225,519	-	225,519	192,203
Total income		3,957,166	1,715,368	5,672,534	4,698,128
Expenditure on:					
Raising voluntary funds	5	904,006	-	904,006	851,371
Commercial trading activities	6	854,247	-	854,247	668,310
Investment management costs		110,227	-	110,227	112,455
Charitable activities	7	2,778,708	1,688,303	4,467,012	4,092,795
Total expenditure		4,647,189	1,688,303	6,335,492	5,724,931
Net income/(expenditure) before other gains and losses	9	(690,023)	27,065	(662,958)	(1,026,803)
Gain/(loss) on investments	13	(1,954,366)	-	(1,954,366)	2,357,650
Net income/(expenditure)		(2,644,389)	27,065	(2,617,324)	1,330,847
Transfers between funds	18	-	-	-	-
Net movement in funds		(2,644,389)	27,065	(2,617,324)	1,330,847
Total funds b/fwd	18	24,282,294	1,010	24,283,304	22,952,457
Total funds c/fwd	18	21,637,905	28,075	21,665,980	24,283,304

All of the above results are derived from continuing activities. All gains and losses recognised in the year are included above. The deficit for the year for Companies Act purposes comprises the net incoming resources for the year net of unrealised profits and losses on investments and was £618,784 (2021: £116,684).

DERIAN HOUSE CHILDRENS HOSPICE
CONSOLIDATED AND CHARITY BALANCE SHEET
AS AT 31 MARCH 2024

		Group		Charity	
	Note	2024	2022	2024	2022
		£	£	£	£
Fixed assets					
Tangible assets	12	5,334,879	5,366,769	5,209,879	5,214,731
Investments	13	17,195,623	15,168,702	17,195,623	15,168,702
Investment in subsidiary	14	-	-	1,000	1,000
		22,530,502	20,535,471	22,406,502	20,384,433
Current assets					
Stock	15	27,438	27,438	-	-
Debtors	16	326,330	516,803	928,454	1,173,636
Cash at bank and in hand		1,030,834	1,446,028	969,223	1,273,981
		1,384,602	1,990,269	1,897,677	2,447,617
Creditors					
falling due within one year	17	(431,560)	(859,760)	(384,913)	(806,582)
Net current assets		953,042	1,330,509	1,512,764	1,641,035
Net assets	18	23,483,544	21,665,980	23,919,266	22,025,468
Unrestricted					
General funds		20,501,533	19,513,103	20,501,533	19,513,103
Revaluation reserve		3,367,733	2,484,290	3,367,733	2,484,290
Non charitable trading funds		(467,813)	(391,579)	-	-
Non charitable Revaluation reserve		32,091	32,091	-	-
Restricted					
General funds		50,000	28,075	50,000	28,075
Total funds	18	23,483,544	21,665,980	23,919,266	22,025,468

As permitted by Sec 408 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 period was £1,893,798 (2022: £2,443,276 deficit). The surplus for the year for Companies Act purposes comprises the net incoming resources for the year net of unrealised profits and losses on investments and was £152,980 (2022: £444,736 deficit).

December 18, 2024

These accounts were approved by the Board on and signed on its behalf:

K Swindley

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Karen Swindley
Chair of the Board of Trustees

H Rotheram

.....
Helen Rotheram
Trustee

Company Registration Number: 02650110 (England and Wales)

DERIAN HOUSE CHILDRENS HOSPICE
CONSOLIDATED AND CHARITY CASHFLOW STATEMENT
FOR THE PERIOD ENDED 31 MARCH 2024

	Group		Charity	
	2024	2022	2024	2022
	£	£	£	£
Cash flows from operating activities				
Net income/(expenditure)	(348,169)	(662,958)	(271,935)	(488,907)
<i>Adjustments for:</i>				
Investment income	(357,615)	(225,519)	(366,405)	(234,092)
Loss on disposal of fixed assets	11,664	-	-	-
Depreciation	247,396	221,681	232,022	191,436
<i>Changes in:</i>				
(Increase)/Decrease in stock	-	2,416	-	-
(Increase)/Decrease in debtors	190,473	72,766	245,182	(219,328)
Increase/(Decrease) in creditors	(428,200)	341,759	(421,669)	326,384
Cash provided by / (used in) operating activities	(684,451)	(249,855)	(582,805)	(424,507)
Cash flows from investing activities				
Investment income	357,615	225,519	366,405	234,092
Purchase of tangible fixed assets	(227,170)	(147,076)	(227,170)	(122,597)
Proceeds from sale of fixed assets	-	-	-	-
Movement in investments portfolio cash	483,581	(299,553)	483,581	(299,553)
Proceeds from sale of investments	5,091,776	6,428,894	5,091,776	6,428,894
Purchase of investments	(5,436,545)	(5,677,532)	(5,436,545)	(5,677,532)
Cash provided by / (used in) investing activities	269,257	530,252	278,047	563,304
Increase/(decrease) in cash and cash equivalents in the year	(415,194)	280,397	(304,758)	138,797
Cash and cash equivalents b/fwd	1,446,028	1,165,631	1,273,981	1,135,184
Cash and cash equivalents c/fwd	1,030,834	1,446,028	969,223	1,273,981

DERIAN HOUSE CHILDRENS HOSPICE

ACCOUNTING POLICIES

FOR THE PERIOD ENDED 31 MARCH 2024

Basis of preparation

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) issued in October 2019, and the Companies Act 2006. The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value. The financial statements are presented in sterling which is the functional currency of the charity.

Derian House Childrens Hospice meets the definition of a public benefit entity under FRS 102.

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.

Group financial statements

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

The company owns all the share capital of Derian House Childrens Hospice Shops Ltd. The taxable profits of the subsidiaries are paid to the company under Gift Aid.

Company 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.

Reporting period

These financial statements cover the 15 months period from 1 January 2023 to 31 March 2024. 31 March has been chosen as the reporting date to align the charity with the financial year of their funding, as voted by the trustees. As a result, the figures for the current year are not directly comparable with the year ended 31 December 2022.

Going concern

The trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements.

The trustees have concluded that the charity has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the charity's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements. charity.

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.

DERIAN HOUSE CHILDRENS HOSPICE

ACCOUNTING POLICIES (*continued*)

FOR THE PERIOD ENDED 31 MARCH 2024

Income

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.

Expenditure

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.

Tangible fixed assets

Tangible fixed assets costing more than £1,000 are generally capitalised at cost including any incidental expenses of acquisition. This general policy is subject to the capital nature of project, smaller items may be capitalised if part of a bigger project and higher values may be expensed if part of a cyclical maintenance programme. Any development work to be capitalised will be depreciated on completion of the project.

Depreciation is provided on fixed assets to write off the cost over their estimated useful lives on a straight-line basis at the following principal rates per annum:

Hospice Long Leasehold land and buildings	shorter of remaining term lease and 125 years
Hospice fixtures and fittings	over 4 and 8 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 3 and 4 years

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.

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.

DERIAN HOUSE CHILDRENS HOSPICE

ACCOUNTING POLICIES (*continued*)

FOR THE PERIOD ENDED 31 MARCH 2024

Stock

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.

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. 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

Finance and operating leases

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

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.

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.

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.

DERIAN HOUSE CHILDRENS HOSPICE**NOTES TO THE FINANCIAL STATEMENTS****FOR THE PERIOD ENDED 31 MARCH 2024****1 Income from donations, legacies and grants**

	2024	2022
	£	£
Donations and gifts	2,067,701	1,594,404
Legacies	538,740	553,932
Department of Health grants	2,817,746	1,410,988
General fundraising for Hospice	101,794	125,864
Prize draw	58,143	235,080
	5,584,124	3,920,268

Included within the Department of Health grants are grant contributions funded by NHS England of £1,337,871 (2022: £938,409).

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

2 Income from charitable activities

	2024	2022
	£	£
Other grants and service agreements	152,483	23,133
Commissioned beds	3,658	29,850
Hospice UK Covid grant funding	-	184,928
	156,141	237,911

3 Income from other trading activities

	2024	2022
	£	£
Fundraising events	269,268	178,543
Lottery	793,159	449,571
Shop Income (note 14)	812,811	660,722
	1,875,238	1,288,836

DERIAN HOUSE CHILDRENS HOSPICE
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE PERIOD ENDED 31 MARCH 2024

4 Investment income	2024	2022
	£	£
Dividend from investments	357,615	225,460
Bank interest	-	59
	<u>357,615</u>	<u>225,519</u>
5 Cost of raising voluntary funds	2024	2022
	£	£
Salaries and related costs	267,094	232,686
Other promotional costs	596,826	605,884
Travelling, training and recruitment	435	1,195
Support costs (note 8)	68,913	64,241
	<u>933,268</u>	<u>904,006</u>
6 Cost of commercial trading activities	2024	2022
	£	£
Fundraising events	59,644	28,050
Shop expenditure (note 14)	880,255	826,197
	<u>939,899</u>	<u>854,247</u>
7 Charitable activities expenditure	2024	2022
	£	£
<i>Salaries and related costs:</i>		
Care team	3,721,721	2,499,773
Support services	432,600	341,674
	<u>4,154,321</u>	<u>2,841,447</u>
Provision of care services	212,541	168,952
Occupancy costs	375,424	256,621
Equipment costs	53,993	50,358
Travelling, training and recruitment	9,754	4,439
Motor expenses	66,671	31,829
Depreciation	183,399	157,877
Support costs (note 8)	1,251,260	955,489
	<u>6,307,363</u>	<u>4,467,012</u>

DERIAN HOUSE CHILDRENS HOSPICE
NOTES TO THE FINANCIAL STATEMENTS (*continued*)
FOR THE PERIOD ENDED 31 MARCH 2024

8 Support costs

	2024 Fundraising £	2024 Charitable £	2022 Fundraising £	2022 Charitable £
Salaries and related costs	49,369	896,404	41,413	615,943
Postage and telephone	1,723	31,286	1,223	18,192
Printing and stationery	287	5,207	279	4,151
Legal and professional fees	1,726	31,335	8,149	121,216
Travelling, training and recruitment	2,446	44,408	2,422	36,018
Computer and other costs	10,190	185,026	7,764	115,480
Office equipment costs	48	871	285	4,240
Governance costs	586	10,640	592	8,804
Depreciation	2,538	46,085	2,114	31,445
	<u>68,913</u>	<u>1,251,260</u>	<u>64,241</u>	<u>955,489</u>

Support costs for fundraising are allocated on the basis of staff numbers.

9 Net income/(expenditure)

	2024 £	2022 £
<i>Stated after charging:</i>		
Operating lease rentals – land and buildings	124,774	133,579
Depreciation – owned assets	247,396	221,681
(Profit)/loss on disposal of assets	11,664	-
Audit fees	11,130	9,396
Audit fees – subsidiary (part of Shop expenditure) – note 14	<u>6,095</u>	<u>5,830</u>

10 Trustees remuneration and benefits

The Trustees consider that they, together with the senior management team, 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 current nor prior period.

DERIAN HOUSE CHILDRENS HOSPICE
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE PERIOD ENDED 31 MARCH 2024

11 Staff costs

	2024	2022
	£	£
Wages and salaries	5,000,834	3,539,464
National Insurance	485,020	343,950
Pension costs	402,282	297,730
	5,888,136	4,181,144
	<u> </u>	<u> </u>

The number of employees whose emoluments exceeded £60K were:

	2024	2022
	No.	No.
£60,001 - £70,000	2	-
£80,001 - £90,000	-	1
£100,001 - £110,000	1	1
	<u> </u>	<u> </u>

Cost attributable to key management personnel in total was £546,679, this includes Employer NI and pension costs.

The average number of employees, analysed by function was:

	2024	2022
	No.	No.
Hospice	77	73
Hospice at home	9	11
General voluntary income	6	7
Fundraising activities	15	24
Support	21	20
	<u> </u>	<u> </u>
	128	135
	<u> </u>	<u> </u>

DERIAN HOUSE CHILDRENS HOSPICE
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE PERIOD ENDED 31 MARCH 2024

12 Tangible fixed assets

Group	Hospice Long Leasehold land and buildings	Fixtures and fittings	Office fixtures and fittings	Shop Property	Shop Investment property	Office equipment	Motor Vehicles	Total
	£	£	£	£	£	£	£	£
Cost								
B/fwd	5,475,494	1,340,787	321,614	84,863	125,000	28,195	113,880	7,489,833
Additions	109,319	65,990	51,861	-	-	-	-	227,170
Disposals	-	(37,294)	-	(15,067)	-	(23,163)	(13,000)	(88,524)
Revaluation	-	-	-	-	-	-	-	-
C/fwd	5,584,813	1,369,483	373,475	69,796	125,000	5,032	100,880	7,628,479
Depreciation								
B/fwd	599,028	1,097,683	245,780	62,904	-	24,352	93,317	2,123,064
Charge	96,266	75,518	48,623	10,295	-	3,843	12,851	247,396
Disposals	-	(37,294)	-	(3,403)	-	(23,163)	(13,000)	(76,860)
C/fwd	695,294	1,135,907	294,403	69,796	-	5,032	93,168	2,293,600
NBV								
C/fwd	4,889,519	233,576	79,072	-	125,000	-	7,712	5,334,879
B/fwd	4,876,466	243,104	75,834	21,959	125,000	3,843	20,563	5,366,769

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

Charity	Hospice Long Leasehold land and buildings	Fixtures and fittings	Office fixtures and fittings	Shop Property	Shop Investment property	Office equipment	Motor Vehicles	Total
	£	£	£	£	£	£	£	£
Cost								
B/fwd	5,475,494	1,274,244	321,614	-	-	-	88,080	7,159,432
Additions	109,319	65,990	51,861	-	-	-	-	227,170
Disposals	-	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-	-
C/fwd	5,584,813	1,340,234	373,475	-	-	-	88,080	7,386,602
Depreciation								
B/fwd	599,028	1,032,376	245,780	-	-	-	67,517	1,944,701
Charge	96,266	74,282	48,623	-	-	-	12,851	232,022
Disposals	-	-	-	-	-	-	-	-
C/fwd	695,294	1,106,658	294,403	-	-	-	80,368	2,176,723
NBV								
C/fwd	4,889,519	233,576	79,072	-	-	-	7,712	5,209,879
B/fwd	4,876,466	241,868	75,834	-	-	-	20,563	5,214,731

DERIAN HOUSE CHILDRENS HOSPICE
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE PERIOD ENDED 31 MARCH 2024

13 Fixed asset investments

Group and Charity	Listed Investments	Portfolio Cash	Total 2024 £	Total 2022 £
Market value at 1 January 2023	14,263,285	905,417	15,168,702	17,574,877
Additions	5,436,545	-	5,436,545	5,677,532
Disposals	(5,091,776)	-	(5,091,776)	(6,428,894)
Movement in portfolio cash	-	(483,581)	(483,581)	299,553
Net investment gains/(losses)	2,165,733	-	2,165,733	(1,954,366)
Market value at 31 March 2024	16,773,787	421,836	17,195,623	15,168,702
Historical cost at 31 March 2024	13,827,890	-	13,827,890	13,541,734
Listed Investments represented by:				
Equity shares	11,062,716	-	11,062,716	10,832,558
Fixed interest securities	5,711,071	-	5,711,071	3,430,727
	16,773,787	-	16,773,787	14,263,285

DERIAN HOUSE CHILDRENS HOSPICE
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE PERIOD ENDED 31 MARCH 2024

14 Investments in subsidiary

The charity owns the whole of the issued ordinary share capital of Derian House Children's Hospice Shops Limited, a company registered in England and Wales with the number 02914583. 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. The registered address of the subsidiary is the same as that of the Charity. 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 March 2024, 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:

	2024	2022
	£	£
Turnover	801,535	647,987
Cost of sales and other direct costs	(21,739)	(44,324)
Administrative expenses	(858,516)	(781,873)
Other operating income	11,276	12,735
Interest payable	(8,790)	(8,573)
	<u> </u>	<u> </u>
Profit/(Loss) for the year	(76,234)	(174,048)
Charitable donations to Hospice	-	-
	<u> </u>	<u> </u>
Retained Profit/(Loss) for the period	(76,234)	(174,048)
	<u> </u>	<u> </u>
Fixed assets	125,000	152,038
Current assets	116,720	220,777
Current liabilities	(676,442)	(731,303)
	<u> </u>	<u> </u>
Net liabilities	(434,722)	(358,488)
	<u> </u>	<u> </u>
Share capital	1,000	1,000
Profit and loss account	(467,813)	(391,579)
Revaluation reserve	32,091	32,091
	<u> </u>	<u> </u>
Net funds	(434,722)	(358,488)
	<u> </u>	<u> </u>

DERIAN HOUSE CHILDRENS HOSPICE
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE PERIOD ENDED 31 MARCH 2024

15	Stock	Group		Charity	
		2024 £	2022 £	2024 £	2022 £
	Goods for resale	27,438	27,438	-	-
16	Debtors				
		Group		Charity	
		2024 £	2022 £	2024 £	2022 £
	Amounts owed by group undertakings	-	-	629,795	678,125
	Trade debtors	56,761	26,225	56,563	26,225
	VAT recoverable	29,368	103,505	23,909	103,505
	Prepayments and accrued income	240,201	387,073	218,187	365,781
		326,330	516,803	928,454	1,173,636
17	Creditors: amounts falling due within one year				
		Group		Charity	
		2024 £	2022 £	2024 £	2022 £
	Trade creditors	58,114	76,431	41,037	49,485
	Other taxes and social security	118,218	88,431	118,278	88,002
	Other creditors	18,248	46,189	18,248	46,189
	Accruals and deferred income	236,920	648,709	207,350	622,906
		431,560	859,760	384,913	806,582

Accruals and deferred income at the period end includes deferred income from the Department of Health received in advance, as at 31 March 2024 this was £nil (2022: £341,471). Also included is £32,566 (2022: £195,394) relating to income received from Southampton University Hospitals for the Without Walls project which runs from July 2022 to July 2024. The movement in deferred income for the year was as follows:

	Group		Charity	
	2024 £	2022 £	2024 £	2022 £
Balance b/fwd	536,865	244,171	536,865	244,171
Amount released to income in period	(504,300)	-	(504,300)	-
Amount deferred in period	33,024	292,694	33,024	292,694
Balance c/fwd	65,589	536,865	65,589	536,865

DERIAN HOUSE CHILDRENS HOSPICE
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE PERIOD ENDED 31 MARCH 2024

18 Funds and analysis by net assets – current period

	Balance at 1 January 2023	Income	Expenditure	Other gains or losses & transfers	Balance at 31 March 2024
	£	£	£	£	£
Restricted funds					
Department of health	-	2,817,746	(2,817,746)	-	-
Other	28,075	115,407	(93,482)	-	50,000
	<u>28,075</u>	<u>2,933,153</u>	<u>(2,911,228)</u>	<u>-</u>	<u>50,000</u>
Unrestricted funds					
General funds	19,513,103	4,235,944	(4,529,804)	1,282,290	20,501,533
Revaluation reserve	2,484,290	-	-	883,443	3,367,733
	<u>21,997,393</u>	<u>4,235,944</u>	<u>(4,529,804)</u>	<u>2,165,733</u>	<u>23,869,266</u>
Total Charity funds	<u>22,025,468</u>	<u>7,169,097</u>	<u>(7,441,032)</u>	<u>2,165,733</u>	<u>23,919,266</u>
Shop trading funds	(391,579)	804,021	(880,255)	-	(467,813)
Revaluation reserve	32,091	-	-	-	32,091
Subsidiary funds	<u>(359,488)</u>	<u>804,021</u>	<u>(880,255)</u>	<u>-</u>	<u>(435,722)</u>
Total Group funds	<u>21,665,980</u>	<u>7,973,118</u>	<u>(8,321,287)</u>	<u>2,165,733</u>	<u>23,483,544</u>

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 fixed assets and investments exceed their historical cost.

Purposes of restricted funds

Restricted funds represent funds received for a specific purpose. 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.

The balance carried forward for the current year relates to a donation for a mobility vehicle.

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.

DERIAN HOUSE CHILDRENS HOSPICE
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE PERIOD ENDED 31 MARCH 2024

18 Funds and analysis by net assets – current period (continued)

Group	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total 2024 £
Tangible fixed assets	5,302,788	32,091	-	5,334,879
Investments	13,827,890	3,367,733	-	17,195,623
Current assets	1,334,602	-	50,000	1,384,602
Creditors falling due within one year	(431,560)	-	-	(431,560)
	20,033,720	3,399,824	50,000	23,483,544
	=====	=====	=====	=====
Charity	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total 2024 £
Tangible fixed assets	5,209,879	-	-	5,209,879
Investments	13,828,890	3,367,733	-	17,196,623
Current assets	1,847,677	-	50,000	1,897,677
Creditors falling due within one year	(384,913)	-	-	(384,913)
	20,501,533	3,367,733	50,000	23,919,266
	=====	=====	=====	=====

DERIAN HOUSE CHILDRENS HOSPICE
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE PERIOD ENDED 31 MARCH 2024

19 Funds and analysis by net assets – prior period

	Balance at 1 January 2022	Income	Expenditure	Other gains or losses & transfers	Balance at 31 December 2022
	£	£	£	£	£
Restricted funds					
Department of health	-	1,410,988	(1,410,988)	-	-
Other	1,010	304,380	(275,315)	-	28,075
	1,010	1,715,368	(1,688,303)	-	28,075
Unrestricted funds					
General funds	19,984,904	3,296,444	(3,812,419)	44,174	19,513,103
Revaluation reserve	4,482,830	-	-	(1,998,540)	2,484,290
	24,467,734	3,296,444	(3,812,419)	(1,954,366)	21,997,393
Total Charity funds	24,468,744	5,011,812	(5,500,722)	(1,954,366)	22,025,468
Shop trading funds	(217,531)	660,722	(834,770)	-	(391,579)
Revaluation reserve	32,091	-	-	-	32,091
Subsidiary funds	(185,440)	660,722	(834,770)	-	(359,488)
Total Group funds	24,283,304	5,672,534	(6,335,492)	(1,954,366)	21,665,980
Group		Unrestricted Funds	Designated Funds	Restricted Funds	Total 2022
		£	£	£	£
Tangible fixed assets		5,334,678	32,091	-	5,366,769
Investments		12,684,412	2,484,290	-	15,168,702
Current assets		1,962,194	-	28,075	1,990,269
Creditors falling due within one year		(859,760)	-	-	(859,760)
		19,121,524	2,516,381	28,075	21,665,980
Charity		Unrestricted Funds	Designated Funds	Restricted Funds	Total 2022
		£	£	£	£
Tangible fixed assets		5,214,731	-	-	5,214,731
Investments		12,685,412	2,484,290	-	15,169,702
Current assets		2,436,359	-	28,075	2,464,434
Creditors falling due within one year		(806,582)	-	-	(806,582)
		19,529,920	2,484,290	28,075	22,042,285

DERIAN HOUSE CHILDRENS HOSPICE
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE PERIOD ENDED 31 MARCH 2024

20 Commitments under operating leases – land & buildings

At 31 March 2024, the subsidiary had future minimum lease payments under non-cancellable operating leases as set out below:

	2024	2022
	£	£
Amounts due within one year	108,700	124,774
Amounts due between two and five years	204,281	186,594
Amounts due after five years	-	-
	312,981	311,368
	=====	=====

21 Capital commitments

	2024	2022
	£	£
Contracted but not provided for	-	-
	=====	=====

22 Related party transactions

The charity has taken exemption under FRS102 Sec 33 'Related party disclosures' not to disclose transactions with group companies. There were no further transactions with related parties in the current period or prior year.