

Derian House Childrens Hospice

Annual Report and Financial Statements

For The Year Ended

31 March 2025



DERIAN HOUSE CHILDRENS HOSPICE

CONTENTS

	Page
Reference and administrative information	1
Welcome message: Paul Morton, Chair of board of trustees	2
Our care in figures	3
Case study: Jeffrey's Holiday, by Sheryl (Jeffrey's mum)	4
Trustees' report	5
Independent auditor's report	16
Consolidated statement of financial activities	19
Consolidated and charity balance sheets	21
Consolidated and charity cashflow statements	22
Accounting Policies	23
Notes to the financial statements	26

DERIAN HOUSE CHILDRENS HOSPICE

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	Paul Morton (appointed 5 August 2025) Karen Swindley (resigned 4 August 2025) Helen Rotheram ^{^*} Christopher Monk Andrew Chatterjee ^{^*} Arshad Rafiq ^{^*} Davina Hanlon (resigned 14 July 2025) Rick Bolton Helen Curtis Claire Granato (appointed 17 May 2024) Lisa Kauffmann (resigned 17 April 2024) <small>*Director of Derian House Children's Hospice Shops Limited [^]Member of the Finance and Income sub committee</small>
Senior Management Team:	
<i>Chief Executive Officer</i>	Karen Edwards, OBE
<i>Chief Nurse</i>	Catherine Randall
<i>Director of Clinical Services</i>	Bridget Thomas (appointed 20 May 2024)
<i>Director of Human Resources</i>	Kim Owen (resigned 13 June 2025)
<i>Director of OD, HR & Support Services</i>	Karen Leigh-Whiston (appointed 8 July 2025)
<i>Director of Income/Deputy CEO</i>	Caroline Taylor
<i>Head of Finance</i>	Colin Taylor (resigned 11 June 2024)
<i>Finance Manager</i>	Harry Szalata (appointed 16 December 2024)
<i>Head of Facilities and Infrastructure</i>	John Boe (resigned 30 September 2025)
<i>Facilities Manager</i>	Samantha Lamb (appointed 22 April 2025)
<i>Head of Governance and Compliance</i>	Anthony Mohammed
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 Meridiem Investment Management Ltd, Riverside House, 2a Southwark Bridge Road, London, SE1 9HA
<i>Solicitors</i>	Napthens, 7 Winckley Square, Preston PR1 3JD

DERIAN HOUSE CHILDRENS HOSPICE

WELCOME MESSAGE

Introduction

Welcome to our financial report for the year 1 April 2024 to 31 March 2025.

This year, we are proud to share how Derian House has supported children and young people with life-limiting conditions, and their families, from across the North West.

We are incredibly fortunate to have loyal and dedicated supporters who enable our teams to deliver a wide range of outstanding services. Their generosity has allowed us to care for a growing number of families at a time when the need has never been greater. The North West continues to have one of the highest prevalence rates of children with life-limiting and life-shortening conditions in the UK, and research shows these numbers are rising. Coupled with the funding challenges faced by the NHS and ICBs, our hospice has never been more vital for families across Lancashire, South Cumbria and Greater Manchester.

At Derian House Children's Hospice, our vision is clear: to ensure that every baby, child and young person whose life is too short, and their family, can make the very most of every moment. Our mission is to provide outstanding, personalised care, whether through planned stays, end-of-life care or family wellbeing services, supported by state-of-the-art facilities and a compassionate, highly skilled team.

We take a whole-family approach, offering care that extends beyond bereavement and continues for as long as it is needed. This year, we have cared for 354 babies, children and young people and their families - each with their own story and journey.

This has been a year of firsts for Derian House.

We became one of the first children's hospices in the UK to gain access to the Lancashire & South Cumbria Shared Care Record, improving safety and quality of care.

We produced an award-winning documentary, *The Little Things*, created with bereaved dad Paul Woodward, shining a light on the world of children's hospice care – the first of its kind.

We welcomed our first-ever midwife, Maria, enabling us to support expectant mothers facing an uncertain future with memory-making experiences.

We held our first Iftar fast-breaking celebration with families and supporters during Ramadan, strengthening our bond with the Muslim community.

Work also began on our £230,000 inclusive playground, and a mystery donor funded an unforgettable trip to Disney for 13 of our families.

Alongside these milestones, we have continued to strengthen our senior management team and trustee board, ensuring strong leadership and sustainability for the future.

I would like to express my heartfelt thanks to our staff and volunteers, whose dedication and compassion make everything we achieve possible.

Looking ahead, our ambitious strategic plan will see us enhance services, involve families even more closely in key decisions that affect them, and upgrade our facilities to ensure we remain fit for the future.

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

Thank you.

Paul Morton

Chair of the Board of Trustees

DERIAN HOUSE CHILDRENS HOSPICE

OUR CARE IN FIGURES

This year we cared for 441 babies, children and young people.

We provided 1156 nights of planned overnight care, giving them a chance to have fun while their families rested and recharged.

We were there for 17 families to support when they needed us most, with end of life care.

We sent 136 families sent on a free week's holiday to our lodges where they made happy memories, and 13 families had the trip of a lifetime as we enabled them to have an all-expenses paid Disney experience.

Families enjoyed 139 cinema sessions at Derian at the Movies – our in-house cinema.

We ran 1004 complementary therapy sessions, including massage and Reiki.

We provided 618 counselling sessions to family members who needed help to work through their grief and come to terms with difficult circumstances.

Children and their families enjoyed 806 splash sessions in our hydrotherapy pool

We cared for 321 siblings, with support groups and fun days out.

DERIAN HOUSE CHILDRENS HOSPICE

CASE STUDY: Jeffrey's Holiday, by Sheryl (Jeffrey's mum)

Our little boy Jeffrey has a rare and incurable genetic condition, known as Battens Disease, which causes seizures and progressively takes away a child's ability to walk, talk, and see.

Jeffrey is eight years old now and is the sweetest boy - his bright brown eyes and cheeky smile could light up any room.

Although he can no longer see, and can't speak vocally, he communicates in his own way. He responds to voices, to music, and to smiles. He'll give you the biggest grin and make the sweetest noises.

Jeffrey has regular treatments to help slow down the progression of his condition, but it is not a cure.

Ultimately we don't know how long we have with our boy, but we can make his life the best it can be in the time we have with him.

Derian House Children's Hospice helps us to make precious memories as a family.

Jeffrey loves to float in the hydrotherapy pool with help from daddy. He loves cuddles in the sensory room. He loves to relax in the cinema while watching his favourite films. Jeffrey loves to visit Derian for respite stays too - giving us time to recharge knowing he is getting the best care.

Holidays are so important to our family - they are the best time to make memories and we have made so many with Jeffrey already. Before he lost his sight we were lucky to take a trip to Lapland so that our boy could see Father Christmas one last time.

When Derian House offered Jeffrey and me the chance to have a little break at their holiday lodge in the Lake District, we jumped at it.

The holiday lodges are fitted with aids and are all on one level so I knew that I wouldn't need any help with Jeffrey.

We had an absolutely amazing week away and we made some lovely memories. We enjoyed a visit to the mini beach, we fed the ducks, and we ate lunch with views of the lake.

We found a lovely place to eat - Jeffrey is still able to eat orally, and he loves to eat anything and everything. Some locals settled our bill because they thought we deserved a treat! It was such a kind gesture.

We had special visits from family, including Jeffrey's dad Andy. Even with Jeffrey struggling with seizures, the downtime was so needed.

We are so grateful that we have access to an adapted lodge in such a beautiful location which is only possible because of your generous donations to Derian House.

We may not have forever with Jeffrey, but we will always have beautiful memories like these.

The care Derian House has given us is out of this world - we can't thank them enough for helping us to make the most of our time with our little love.

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 year ended 31 March 2025, 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 6 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 obtain assurance and have oversight of 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, Governance 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 fully delegated and 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

STRATEGIC REPORT

Care Services

Derian House provides specialist care and support to babies, children, and young people (BCYP) with life-shortening and life-limiting conditions across Lancashire, South Cumbria, and Greater Manchester. Our reputation for delivering safe, compassionate, and high-quality care is well established, and we are proud to be recognised both regionally and nationally for our services and professional training programmes.

Through continuous service development, investment in our workforce, and a family-centred approach, we support children and their families through all stages of their journey from diagnosis to end-of-life care and beyond. All care is provided free of charge, thanks to the generosity of the communities we serve.

Our commitment is to deliver holistic, personalised care that meets the physical, psychological, social, and spiritual needs of each child and their family. This includes not only the child or young person but also siblings, parents, grandparents, and extended family members.

We strive to create an environment where happy memories are made, one that promotes fun, respect, and dignity, while ensuring clinical excellence and emotional support.

Care is available from birth to age 25 years, and is delivered flexibly either at the hospice or in the family home, depending on individual circumstances and preferences.

Strategic and Operational Highlights – 2024/25

Workforce Development & Service Expansion

- 2024/25 was a pivotal year, marked by a strategic reset that enabled successful recruitment of high-calibre clinical staff.
- This has allowed Derian House to meet its growth trajectory and provide 24/7 short break respite care within the hospice setting.
- Introduction of values-based recruitment has significantly improved staff retention and strengthened our clinical team.

Clinical Excellence and Quality

- We continue to work towards maintaining CQC 'Outstanding' rating, with continued focus on safe, effective, and responsive care.
- Our incident reporting culture supports continuous learning and service improvement.
- The implementation of Patient Safety Incident Response Framework (PSIRF) and Just Culture principles has embedded a no-blame environment that encourages openness, learning, and transparency, including adherence to Duty of Candour requirements.

System Engagement and Strategic Partnerships

- Ongoing collaboration with ICBs, local councils, hospice networks, and system partners continues to position Derian House as a strategic partner in palliative and end-of-life care.
- Positive feedback has been received from system leaders, Chief Nurses, and Directors of Services across the region.

DERIAN HOUSE CHILDRENS HOSPICE

TRUSTEES' REPORT *(continued)*

Key Achievements and Milestones

- The Digital Training Portal has continued to be funded by Lancashire and South Cumbria ICB for Derian House's digital palliative and end-of-life training portal for professionals.
- CEO and Chief Nurse represented Derian House at the Houses of Parliament on 18 March 2025 to contribute to national discussions on the future of hospice care.
- Visit by the Dean of the University of Central Lancashire in February 2025 to strengthen links in training and education.
- Shared Care Record officially launched on 14 February 2025, with support from Lancashire and South Cumbria ICB. Derian House contributed 'talking head' videos to encourage wider hospice engagement.
- Successful recruitment of two additional GPs to support clinical services.
- Ongoing research project on the experiences of BAME families, led by Lancaster University with Derian House involvement.
- Clinical Strategy relaunch in January 2025, with clear objectives and regular KPI progress reporting.
- Work commenced on a new tool to assess complexity of need for BCYP accessing respite care. This will inform safe staffing levels and occupancy planning.
- Clinical staff maintained statutory and mandatory training compliance above 95%.
- Quarterly training sessions for external professionals and students remain well-attended and positively evaluated.
- Partnership work continues to strengthen professional development across the region and beyond.
- Community outreach strengthened by the recruitment of a Community Team Leader, Perinatal Nurse, and Midwife.
- Ongoing development of services to better meet the needs of families in their own homes.
- Demand for bereavement counselling and emotional support continues to increase.
- Expansion of Family Support and Bereavement Services, with effective joint working alongside the Care Team to ensure holistic provision.
- Wellbeing activities remain consistently utilised, supporting both day care attendees and those accessing individual sessions.

Derian House remains focussed in its mission to provide outstanding, compassionate, and family-centred care to babies, children, and young people with life-limiting conditions. Through continued investment in people, partnerships, and innovation, we are ensuring that families receive the best possible support throughout their journey.

We look ahead to 2025/26 with a commitment to continuous improvement, system collaboration, and meaningful impact for the children and families who rely on us.

2024/25 data

Age breakdown for BCYP who use Derian House services

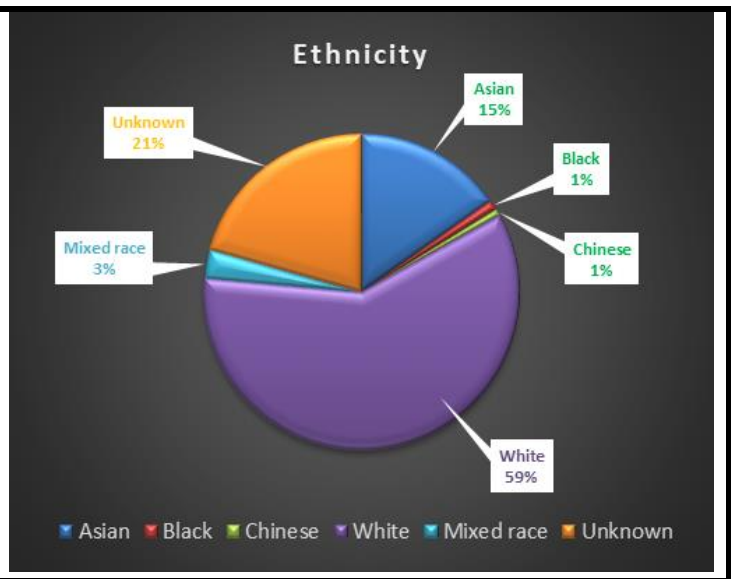
	Female	Male	Total
0-5	57	61	118
6 – 11	51	70	121
12-18	44	68	112
19- 26	15	41	56
Total	167	240	407

DERIAN HOUSE CHILDRENS HOSPICE

TRUSTEES' REPORT (continued)

Ethnicity

Asian – Indian	13	(3.19%)
Asian – Pakistani	31	(7.61%)
Asian – Other (not specified)	18	(4.42%)
Black – African	4	(0.98%)
Chinese	3	(0.73%)
White British	238	(54.47%)
White – other (not specified)	4	(0.98%)
Mixed race – White /Asian	6	(1.47%)
Mixed race – not specified	6	(1.47%)
Not stated /unknown	84	(20.63%)



Derian House total Activity 2024/25

Total activity offered in 2024/25 – **5208** episodes of Care activity



DERIAN HOUSE CHILDRENS HOSPICE

TRUSTEES' REPORT (continued)

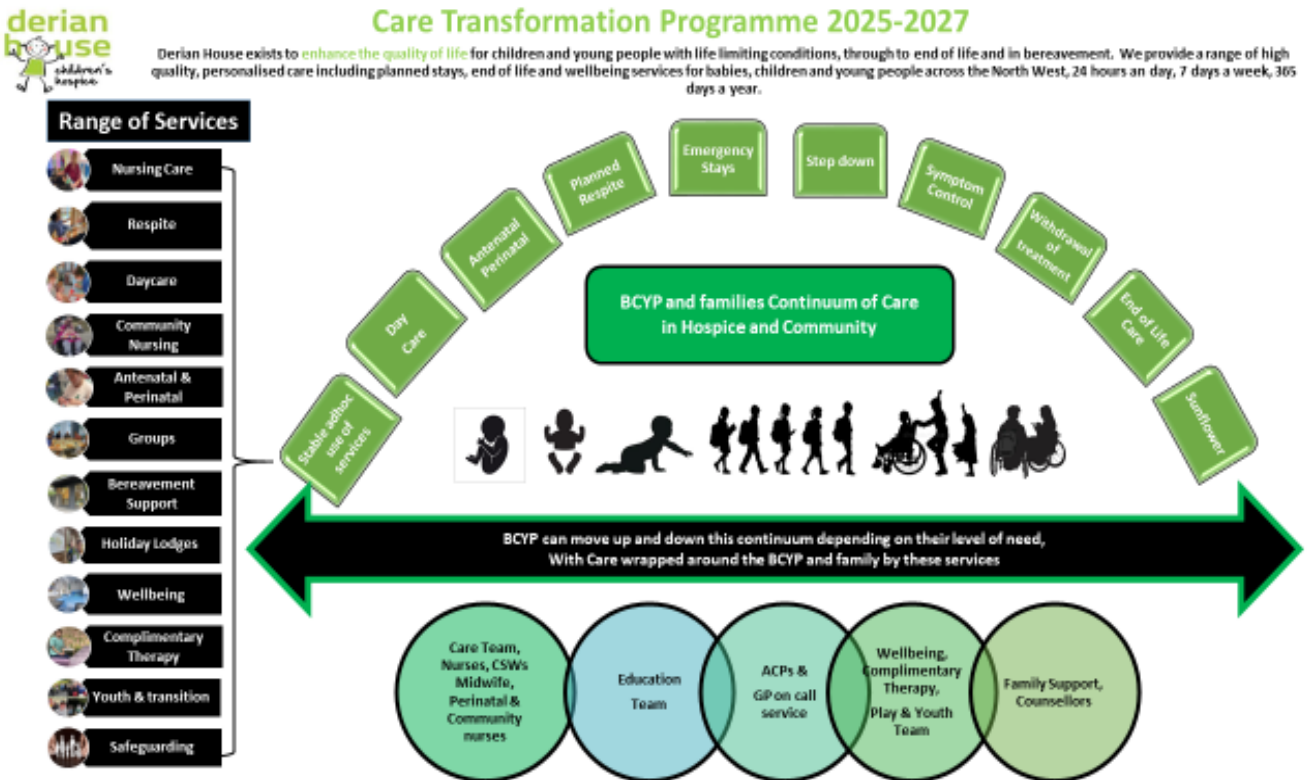
Activity Breakdown by ICB area



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)

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.



DERIAN HOUSE CHILDRENS HOSPICE

TRUSTEES' REPORT *(continued)*

Integrated Care Strategic Ambitions

- Clear service offer and pathways
- Positive family experience
- Leading children's palliative care
- Maintain CQC Outstanding
- Efficient and effective services



Integrated Care Strategic KPIs

- Embed a whole service approach to family engagement
- Increase our in-house reach to achieve a 10 bed delivery model
- Develop a medical model that supports our growth ambitions
- Maintain our CQC outstanding rating

The Little Things

Get your popcorn at the ready to watch Derian House's documentary, 'The Little Things' created by bereaved dad Paul Woodward this year.

The film gives the viewer an intimate look into the remarkable world of Derian House Children's Hospice, sharing the powerful and personal stories of families, staff, and volunteers through interviews.

Supported by actor and TV-star Steve Pemberton, in the role of Associate Producer, the documentary shines a light on hospice care. It was officially launched at a red carpet event at Bolton Cineworld in October 2024 and attracted a host of five-star reviews from the film industry.

By March 2025 the film had won bronze in the people's choice category the national Smiley Charity Film Awards and was touring film festivals across the UK.

'The Little Things' was inspired by Woodward's own experience at Derian House, where his son, Kalel, received care until his passing in 2019.

He said: *"This is an opportunity for people to step inside a children's hospice and witness what truly happens behind the walls. They will be moved, and they will be filled with love."*

Volunteers

Volunteers play an essential role in helping Derian House deliver care and support. From providing a friendly face for families and visitors, to keeping our services running smoothly behind the scenes, their commitment touches every corner of the charity. Whether supporting in our shops, assisting at events, or giving their time to specialist services like Wellbeing & Play Support and Pet Therapy, volunteers make a meaningful difference every single day.

Between April 2024 and March 2025, 38 new volunteers joined our team, bringing fresh energy and commitment. Across the year, volunteers contributed a remarkable 16,279.30 hours, with an average of 124 active volunteers each month.

The value of this support is estimated at just over £186,000, a saving that allows us to direct more resources into caring for our babies, children, young people and their families. Beyond the financial value, volunteers bring warmth, skills, and a sense of community that cannot be measured in numbers alone.

We are deeply grateful for their dedication, which helps us create a welcoming and supportive environment for everyone who comes through our doors.

DERIAN HOUSE CHILDRENS HOSPICE

TRUSTEES' REPORT (*continued*)

Income (Fundraising, Communications & Marketing)

We have enjoyed a very successful 12 months for income generation through fundraising and marketing at Derian House Children's Hospice.

A strong performance throughout the year in all areas of fundraising (which includes donations, fundraising and shop income) meant the year ended ahead of budget at £2.7m - a total of £56k ahead of budget. Of which, general donations performed well, bringing in £457k. Two successful direct mail campaigns telling the stories of our children brought in more than £100k and helped us to reach hundreds of new donors and to convert one-off donors to regular givers. Corporate donations brought in £364k, which although was a solid performance, came in below budget. This was down to a failure to recruit a member of staff to allow us to increase our focus on attracting major donors and growing this income stream. We will continue this area of growth in future.

Legacies enjoyed its best year on record, with a total of £1.9m donated this year – a total of £1.5m more than expected (285% increase). The sporadic nature of this income stream makes it difficult to predict, but an increased focus on legacy marketing took place this year, as well as involvement in a national TV campaign alongside other hospices, organised by Hospice UK.

The Derian House Lottery performed well, bringing in £843k. This is significantly above last year's performance and is largely due to a move to a stand-alone lottery platform and bringing some operations in-house in order to gain more control and increase profits.

Again this year presented a background of uncertainty with a cost of living crisis, but a detrimental effect on donations was not seen. Although interest in events has declined, we have worked to refresh our offer to keep donors interested in new events.

This year we successfully launched *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. This brought much positive media attention and an increase in awareness of our cause.

This year we engaged with new communities, undertaking a project to strengthen relationships with the Muslim community in Blackburn. An uplifting fast-breaking event was held at the hospice during Ramadan, and we executed out of home advertising in the form of bus stops and digital screens in the Blackburn area showing stories of local families. This led to an increase in both donations of time, money and goods.

Our social media following continued to grow, reaching a total of more than 40,000 followers across all platforms. We focused on video content creation and grew our TikTok account to reach a younger supporter base. We continued to be the fastest-growing charity of our size on Meta, our most popular platform.

A continued focus on our donor journey meant we could thank our donors in a more individual way, to build strong relationships. This was best-seen in our Christmas campaign when we segmented donors and sent personalised hand-written cards to our most loyal supporters. This campaign was one of the most successful to date.

The determination, resilience and creativity of our staff and volunteers meant we have been able to deliver an impressive performance in 2024/5. A strong relationship between fundraising, marketing and communications has led to an effective and aligned team.

Financial uncertainty prevails in 2025 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, regular giving, corporate and community partnerships, legacy giving, trusts and grants, direct mail campaigns, text to donate, a raffle and a weekly lottery.

DERIAN HOUSE CHILDRENS HOSPICE

TRUSTEES' REPORT (continued)

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 its own fundraising apart from third-party events by individuals, lottery membership and regular giving, 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.

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:



DERIAN HOUSE CHILDRENS HOSPICE

TRUSTEES' REPORT (*continued*)

FINANCIAL REVIEW

Review of the year and year 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 through its five (2024: five) outlets all of which are on short term leases. No profits were gifted to the Charity in both 2025 and 2024, albeit a small profit was generated in 2025. A new strategy was developed, and new staffing and 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 we intend to increase the portfolio.

Investments

As of 31 March 2025, Derian House held £17.55m in its long term investment portfolio (2024: £17.20m). Investment income in the year was £296,012 (2024: £357,615) and had declines as a result of the fall in the Bank of England base rate and fluctuations in the market.

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. 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 2025/26 budget, 24 months annual running costs equates to approximately £12m. At 31st March 2025 the free reserves, equal to total unrestricted reserves excluding fixed assets, were £19.9m. 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.

DERIAN HOUSE CHILDRENS HOSPICE

TRUSTEES' REPORT (*continued*)

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 PI 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.

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

DERIAN HOUSE CHILDRENS HOSPICE

TRUSTEES' REPORT (*continued*)

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.

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

The auditor, MHA, previously traded through the legal entity MacIntyre Hudson LLP. In response to regulatory changes, MacIntyre Hudson LLP ceased to hold an audit registration with the engagement transitioning to MHA Audit Services LLP.

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 30 October 2025.

Helen Rotheram

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Helen Rotheram

Vice 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 2025, 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 2025, 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;
- Auditing the risk of fraud in income, including through the testing of income cut off at the year end and through income transaction testing to provide comfort that revenue is completely stated in the financial statements
- 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;

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

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November 4, 2025

MHA is the trading name of MHA Audit Services LLP, a limited liability partnership in England and Wales (registered number OC455542)

DERIAN HOUSE CHILDRENS HOSPICE
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITES
(INCLUDING INCOME & EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2025

		Unrestricted Funds 2025 £	Restricted Funds 2025 £	Year ended 31 March 2025 £	Restated Period ended 31 March 2024 £
Income from:					
Donations, legacies and grants	1	3,915,637	1,876,001	5,791,638	5,742,097
Charitable activities:	2	50	117,788	117,838	156,141
Other trading activities	3	1,534,627	-	1,534,627	1,717,265
Investment income	4	296,012	-	296,012	357,615
Total income		5,746,326	1,993,789	7,740,115	7,973,118
Expenditure on:					
Raising voluntary funds	5	851,991	-	851,991	933,268
Commercial trading activities	6	699,068	-	699,068	939,899
Investment management costs		125,917	-	125,917	140,757
Charitable activities	7	2,828,797	1,876,101	4,704,898	6,307,363
Total expenditure		4,505,773	1,876,101	6,381,874	8,321,287
Net income/(expenditure) before other gains and losses	9	1,240,553	117,688	1,358,241	(348,169)
Gain/(loss) on investments	13	472,548	-	472,548	2,165,733
Net income/(expenditure)		1,713,101	117,688	1,830,789	1,817,564
Transfers between funds	18	167,688	(167,688)	-	-
Net movement in funds		1,880,789	(50,000)	1,830,789	1,817,564
Total funds b/fwd	18	23,433,544	50,000	23,483,544	21,665,980
Total funds c/fwd	18	25,314,333	-	25,314,333	23,483,544

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 £2,156,988 (2024: £76,746).

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

		Unrestricted Funds 2024 £	Restricted Funds 2024 £	Restated Period ended 31 March 2024 £	Year ended 31 December 2022 £
Income from:					
Donations, legacies and grants	1	2,808,944	2,933,153	5,742,097	3,920,268
Charitable activities:	2	156,141	-	156,141	237,911
Other trading activities	3	1,717,265	-	1,717,265	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 period are included above. The surplus for the period for Companies Act purposes comprises the net incoming resources for the period net of unrealised profits and losses on investments and was £76,746 (2022: £618,784 deficit).

DERIAN HOUSE CHILDRENS HOSPICE
CONSOLIDATED AND CHARITY BALANCE SHEET
AS AT 31 MARCH 2025

		Group		Charity	
	Note	2025 £	2024 £	2025 £	2024 £
Fixed assets					
Tangible assets	12	5,446,955	5,334,879	5,412,405	5,209,879
Investments	13	17,547,564	17,195,623	17,547,564	17,195,623
Investment in subsidiary	14	-	-	1,000	1,000
		22,994,519	22,530,502	22,960,969	22,406,502
Current assets					
Stock	15	13,386	27,438	-	-
Debtors	16	400,459	326,330	876,882	928,454
Cash at bank and in hand		2,312,626	1,030,834	2,281,522	969,223
		2,726,471	1,384,602	3,158,404	1,897,677
Creditors					
falling due within one year	17	(406,657)	(431,560)	(380,350)	(384,913)
Net current assets		2,319,814	953,042	2,778,054	1,512,764
Net assets	18	25,314,333	23,483,544	25,739,023	23,919,266
Unrestricted					
General funds		22,697,489	20,501,533	22,697,489	20,501,533
Revaluation reserve		3,041,534	3,367,733	3,041,534	3,367,733
Non charitable trading funds		(456,781)	(467,813)	-	-
Non charitable Revaluation reserve		32,091	32,091	-	-
Restricted					
General funds		-	50,000	-	50,000
Total funds	18	25,314,333	23,483,544	25,739,023	23,919,266

As permitted by Section 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 £1,819,757 (2024: £1,893,798). 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 £2,145,956 (2024: £152,980).

These accounts were approved by the Board on October 30, 2025 and signed on its behalf:

Helen Rotheram

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Helen Rotheram
Vice Chair of the Board of Trustees

Andrew Chatterjee

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Andrew Chatterjee
Trustee

Company Registration Number: 02650110 (England and Wales)

DERIAN HOUSE CHILDRENS HOSPICE
CONSOLIDATED CASHFLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2025

	2025 £	2024 £
Cash flows from operating activities		
Net income/(expenditure)	1,358,241	(348,169)
<i>Adjustments for:</i>		
Investment income	(296,012)	(357,615)
Loss on disposal of fixed assets	-	11,664
Depreciation	189,574	247,396
<i>Changes in:</i>		
(Increase)/Decrease in stock	14,052	-
(Increase)/Decrease in debtors	(74,129)	190,473
Increase/(Decrease) in creditors	(24,903)	(428,200)
	<u>1,166,823</u>	<u>(684,451)</u>
Cash provided by / (used in) operating activities		
Cash flows from investing activities		
Investment income	296,012	357,615
Purchase of tangible fixed assets	(426,650)	(227,170)
Proceeds from sale of fixed assets	125,000	-
Movement in investments portfolio cash	(232,364)	483,581
Proceeds from sale of investments	5,203,403	5,091,776
Purchase of investments	(4,850,432)	(5,436,545)
	<u>114,969</u>	<u>269,257</u>
Cash provided by / (used in) investing activities		
Increase/(decrease) in cash and cash equivalents in the year	1,281,792	(415,194)
Cash and cash equivalents b/fwd	1,030,834	1,446,028
	<u>2,312,626</u>	<u>1,030,834</u>
Cash and cash equivalents c/fwd		

DERIAN HOUSE CHILDRENS HOSPICE

ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 MARCH 2025

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 12 months period from 1 April 2024 to 31 March 2025. The prior period financial statements cover an extended period of 15 months from 1 January 2023 to 31 March 2024 and therefore the accounting periods are not comparable.

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 YEAR ENDED 31 MARCH 2025

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 YEAR ENDED 31 MARCH 2025

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 YEAR ENDED 31 MARCH 2025

1 Income from donations, legacies and grants

	Year ended 2025 £	Restated Period ended 2024 £
Donations and gifts	1,757,837	2,067,701
Legacies	1,925,566	538,740
Department of Health grants	1,876,001	2,817,746
General fundraising for Hospice	100,166	101,794
Prize draw	24,848	58,143
Gift Aid donated sales	107,220	157,973
	<u>5,791,638</u>	<u>5,742,097</u>

Included within the Department of Health grants are grant contributions funded by NHS England of £1,369,138 (2024: £1,337,871).

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

	Year Ended 2025 £	Period Ended 2024 £
Other grants and service agreements	-	152,483
Commissioned beds	50	3,658
Hospice UK Capital Grant Funding	117,788	-
	<u>117,838</u>	<u>156,141</u>

3 Income from other trading activities

	Year Ended 2025 £	Restated Period Ended 2024 £
Fundraising events	174,886	269,268
Lottery	818,188	793,159
Shop Income (note 14)	541,553	654,838
	<u>1,534,627</u>	<u>1,717,265</u>

DERIAN HOUSE CHILDRENS HOSPICE
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2025

4 Investment income

	Year Ended 2025 £	Period Ended 2024 £
Dividend from investments	295,459	357,615
Rental income	553	-
	296,012	357,615

5 Cost of raising voluntary funds

	Year Ended 2025 £	Period Ended 2024 £
Salaries and related costs	246,557	267,094
Other promotional costs	524,069	596,826
Travelling, training and recruitment	294	435
Support costs (note 8)	81,071	68,913
	851,991	933,268

6 Cost of commercial trading activities

	Year ended 2025 £	Restated Period Ended 2024 £
Fundraising events	64,328	59,644
Shop expenditure (note 14)	527,520	722,282
Gift Aid Donated sales expenditure	107,220	157,973
	699,068	939,899

DERIAN HOUSE CHILDRENS HOSPICE
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2025

7 Charitable activities expenditure

	Year Ended 2025 £	Period Ended 2024 £
<i>Salaries and related costs:</i>		
Care team	2,485,071	3,721,721
Support services	314,196	432,600
	<u>2,799,267</u>	<u>4,154,321</u>
Provision of care services	170,924	212,541
Occupancy costs	294,200	375,424
Equipment costs	91,455	53,993
Travelling, training and recruitment	4,701	9,754
Motor expenses	35,993	66,671
Depreciation	132,834	183,399
Support costs (note 8)	1,175,524	1,251,260
	<u>4,704,898</u>	<u>6,307,363</u>

8 Support costs

	Year Ended 2025 Fundraising £	Year Ended 2025 Charitable £	Period Ended 2024 Fundraising £	Period Ended 2024 Charitable £
Salaries and related costs	54,606	791,783	49,369	896,404
Postage and telephone	2,010	29,148	1,723	31,286
Printing and stationery	376	5,446	287	5,207
Legal and professional fees	1,869	27,099	1,726	31,335
Travelling, training and recruitment	2,303	33,397	2,446	44,408
Computer and other costs	15,589	226,047	10,190	185,026
Office equipment costs	94	1,357	48	871
Governance costs	1,139	16,520	586	10,640
Depreciation	3,085	44,727	2,538	46,085
	<u>81,071</u>	<u>1,175,524</u>	<u>68,913</u>	<u>1,251,260</u>

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

9 Net income/(expenditure)

	Year Ended 2025 £	Period Ended 2024 £
<i>Stated after charging:</i>		
Operating lease rentals – land and buildings	130,075	124,774
Depreciation – owned assets	189,574	247,396
(Profit)/loss on disposal of assets	-	11,664
Audit fees	12,850	11,130
Audit fees – subsidiary (part of Shop expenditure) – note 14	7,050	6,095
	<u>339,549</u>	<u>501,059</u>

DERIAN HOUSE CHILDRENS HOSPICE
NOTES TO THE FINANCIAL STATEMENTS (*continued*)
FOR THE YEAR ENDED 31 MARCH 2025

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.

11 Staff costs

	Year Ended 2025 £	Period Ended 2024 £
Wages and salaries	3,712,774	5,000,834
National Insurance	364,583	485,020
Pension costs	<u>328,938</u>	<u>402,282</u>
	<u>4,406,295</u>	<u>5,888,136</u>

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

	2025 No.	2024 No.
£60,001 - £70,000	4	2
£80,001 - £90,000	-	-
£100,001 - £110,000	<u>1</u>	<u>1</u>

Cost attributable to key management personnel in total was £562,999 this includes Employer NI and pension costs.

The average number of employees, analysed by function was:

	2025 No.	2024 No.
Hospice	71	77
Hospice at home	1	9
General voluntary income	8	6
Fundraising activities	23	15
Support	<u>21</u>	<u>21</u>
	<u>124</u>	<u>128</u>

DERIAN HOUSE CHILDRENS HOSPICE
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2025

12 Tangible fixed assets

Group	Hospice Long Leasehold land and buildings	Fixtures and fittings	Office fixtures and fittings	Shop Property	Investment property	Shop Office equipment	Motor Vehicles	Total
	£	£	£	£	£	£	£	£
Cost								
B/fwd	5,584,813	1,369,483	373,475	69,796	125,000	5,032	100,880	7,628,479
Additions	141,218	67,926	2,382	3,372	150,000	267	61,485	426,650
Disposals	-	(5,822)	-	(4,142)	(125,000)	-	(51,955)	(186,919)
Revaluation	-	-	-	-	-	-	-	-
C/fwd	5,726,031	1,431,587	375,857	69,026	150,000	5,299	110,410	7,868,210
Depreciation								
B/fwd	695,294	1,135,907	294,403	69,796	-	5,032	93,168	2,293,600
Charge	83,415	38,099	47,811	396	-	52	19,801	189,574
Disposals	-	(5,822)	-	(4,142)	-	-	(51,955)	(61,919)
C/fwd	778,709	1,168,184	342,214	66,050	-	5,084	61,014	2,421,255
NBV								
C/fwd	4,947,322	263,403	33,643	2,976	150,000	215	49,396	5,446,955
B/fwd	4,889,519	233,576	79,072	-	125,000	-	7,712	5,334,879

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

The Rental Property was acquired through a legacy and the cost of the property has been based on an estimate of £150,000.

Charity	Hospice Long Leasehold land and buildings	Fixtures and fittings	Office fixtures and fittings	Shop Property	Investment property	Shop Office equipment	Motor Vehicles	Total
	£	£	£	£	£	£	£	£
Cost								
B/fwd	5,584,813	1,340,234	373,475	-	-	-	88,080	7,386,602
Additions	141,218	46,576	2,382	-	150,000	-	42,995	383,171
Disposals	-	-	-	-	-	-	(39,155)	(39,155)
Revaluation	-	-	-	-	-	-	-	-
C/fwd	5,726,031	1,386,810	375,857	-	150,000	-	91,920	7,730,618
Depreciation								
B/fwd	695,294	1,106,658	294,403	-	-	-	80,368	2,176,723
Charge	83,415	34,464	47,811	-	-	-	14,955	180,645
Disposals	-	-	-	-	-	-	(39,155)	(39,155)
C/fwd	778,709	1,141,122	342,214	-	-	-	56,168	2,318,213
NBV								
C/fwd	4,947,322	245,688	33,643	-	150,000	-	35,752	5,412,405
B/fwd	4,889,519	233,576	79,072	-	-	-	7,712	5,209,879

DERIAN HOUSE CHILDRENS HOSPICE
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2025

13 Fixed asset investments

Group and Charity	Listed Investments	Portfolio Cash	Total 2025 £	Total 2024 £
Market value at 1 April 2024	16,773,787	421,836	17,195,623	15,168,702
Additions	4,850,432	-	4,850,432	5,436,545
Disposals	(5,203,403)	-	(5,203,403)	(5,091,776)
Movement in portfolio cash	-	232,364	232,364	(483,581)
Net investment gains/(losses)	472,548	-	472,548	2,165,733
Market value at 31 March 2025	16,893,364	654,200	17,547,564	17,195,623
Historical cost at 31 March 2025	14,506,030	-	14,506,030	13,827,890
Listed Investments represented by:				
Equity shares	11,548,714	-	11,548,714	11,062,716
Fixed interest securities	5,344,650	-	5,344,650	5,711,071
	16,893,364	-	16,893,364	16,773,787

DERIAN HOUSE CHILDRENS HOSPICE
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2025

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 2025, 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:

	2025	Restated
	£	2024
		£
Turnover	541,553	643,562
Cost of sales and other direct costs	(20,652)	(21,739)
Administrative expenses	(506,868)	(700,543)
Other operating income	-	11,276
Interest payable	(3,001)	(8,790)
	<u>11,032</u>	<u>(76,234)</u>
Profit/(Loss) for the year	11,032	(76,234)
Charitable donations to Hospice	-	-
	<u>11,032</u>	<u>(76,234)</u>
Retained Profit/(Loss) for the period	11,032	(76,234)
	<u>11,032</u>	<u>(76,234)</u>
Fixed assets	34,550	125,000
Current assets	82,146	116,720
Current liabilities	(540,386)	(676,442)
	<u>(423,690)</u>	<u>(434,722)</u>
Net liabilities	(423,690)	(434,722)
	<u>(423,690)</u>	<u>(434,722)</u>
Share capital	1,000	1,000
Profit and loss account	(456,781)	(467,813)
Revaluation reserve	32,091	32,091
	<u>32,091</u>	<u>32,091</u>
Net funds	(423,690)	(434,722)
	<u>(423,690)</u>	<u>(434,722)</u>

DERIAN HOUSE CHILDRENS HOSPICE
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2025

15	Stock	Group		Charity	
		2025 £	2024 £	2025 £	2024 £
	Goods for resale	13,386	27,438	-	-
<hr/>					
16	Debtors	Group		Charity	
		2025 £	2024 £	2025 £	2024 £
	Amounts owed by group undertakings	-	-	514,079	629,795
	Trade debtors	20,921	56,761	9,863	56,563
	VAT recoverable	143,886	29,368	140,288	23,909
	Prepayments and accrued income	235,652	240,201	212,652	218,187
		400,459	326,330	876,882	928,454
<hr/>					
17	Creditors: amounts falling due within one year	Group		Charity	
		2025 £	2024 £	2025 £	2024 £
	Trade creditors	120,205	58,114	108,684	41,037
	Other taxes and social security	130,695	118,278	130,695	118,278
	Other creditors	7,186	18,248	7,186	18,248
	Accruals and deferred income	148,571	236,920	133,785	207,350
		406,657	431,560	380,350	384,913
<hr/>					
		Group		Charity	
		2025 £	2024 £	2025 £	2024 £
	Balance b/fwd	65,589	536,865	65,589	536,865
	Amount released to income in period	(74,906)	(504,300)	(74,906)	(504,300)
	Amount deferred in period	75,995	33,024	75,995	33,024
	Balance c/fwd	66,678	65,589	66,678	65,589
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DERIAN HOUSE CHILDRENS HOSPICE
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2025

18 Funds and analysis by net assets – current period

	Balance at 1 April 2024	Income	Expenditure	Other gains or losses & transfers	Balance at 31 March 2025
	£	£	£	£	£
Restricted funds					
Department of Health	-	1,876,001	(1,876,001)	-	-
Other funds	50,000	117,788	(100)	(167,688)	-
	50,000	1,993,789	(1,876,101)	(167,688)	-
Unrestricted funds					
General funds	20,501,533	5,204,773	(3,975,252)	966,435	22,697,489
Revaluation reserve	3,367,733	-	-	(326,199)	3,041,534
	23,869,266	5,204,773	(3,975,252)	640,236	25,739,023
Total Charity funds	23,919,266	7,198,562	(5,851,353)	472,548	25,739,023
Shop trading funds	(467,813)	541,553	(530,521)	-	(456,781)
Revaluation reserve	32,091	-	-	-	32,091
Subsidiary funds	(435,722)	541,553	(530,521)	-	(424,690)
Total Group funds	23,483,544	7,740,115	(6,381,874)	472,548	25,314,333

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.

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 reflect satisfaction of restrictions on capital funding.

DERIAN HOUSE CHILDRENS HOSPICE
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2025

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

Group	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total 2025 £
Tangible fixed assets	5,414,864	32,091	-	5,446,955
Investments	14,506,030	3,041,534	-	17,547,564
Current assets	2,726,471	-	-	2,726,471
Creditors falling due within one year	(406,657)	-	-	(406,657)
	22,240,708	3,073,625	-	25,314,333
	=====	=====	=====	=====
Charity	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total 2025 £
Tangible fixed assets	5,412,405	-	-	5,412,405
Investments	14,507,030	3,041,534	-	17,548,564
Current assets	3,158,404	-	-	3,158,404
Creditors falling due within one year	(380,350)	-	-	(380,350)
	22,697,489	3,041,534	-	25,739,023
	=====	=====	=====	=====

DERIAN HOUSE CHILDRENS HOSPICE
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2025

19 Funds and analysis by net assets – prior 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 funds	28,075	115,407	(93,482)	-	50,000
	28,075	2,933,153	(2,911,228)	-	50,000
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
	21,997,393	4,235,944	(4,529,804)	2,165,733	23,869,266
Total Charity funds	22,025,468	7,169,097	(7,441,032)	2,165,733	23,919,266
Shop trading funds	(391,579)	804,021	(880,255)	-	(467,813)
Revaluation reserve	32,091	-	-	-	32,091
Subsidiary funds	(359,488)	804,021	(880,255)	-	(435,722)
Total Group funds	21,665,980	7,973,118	(8,321,287)	2,165,733	23,483,544
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 YEAR ENDED 31 MARCH 2025

20 Commitments under operating leases – land & buildings

At 31 March 2025, the subsidiary had future minimum lease payments under non-cancellable operating leases as set out below:

	2025 £	2024 £
Amounts due within one year	123,534	108,700
Amounts due between two and five years	147,308	204,281
Amounts due after five years	-	-
	<u>270,842</u>	<u>312,981</u>

21 Capital commitments

	2025 £	2024 £
Contracted but not provided for	-	-
	<u>-</u>	<u>-</u>

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 year or prior period.

23 Prior period restatement

The charity prior period has been restated to increase donations income and wages and salaries costs by £157,973. This relates to gift aided donated sales and associate salary costs transferred from the trading subsidiary to be recognised in the charity. The Consolidated Statement of Comprehensive Income; Note 1 - Income from donations, legacies and grants; Note 2 - Income from other trading activities and Note 4 Cost of commercial trading activities have been restated. There is no impact on the reported result for the group for the prior period.