



  
Brightening short lives

**Cope Children's Trust  
Trustees' Annual Report and Accounts  
Year ended 31 March 2023**

Company Number: 02743297  
Registered Charity Number: 1014051

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## 1. Introduction

### Nevaiah's Story

"Rainbows is amazing in every single way for us," said Amandeep, mum to six-year-old Nevaiah.

"When her sister Aveena was born 14 weeks premature, life was tough. But we weren't prepared for the journey when Nevaiah arrived three years later.

"Nevaiah was also born early by four weeks. She was starved of oxygen at birth due to complications, meaning she has a brain injury. We live with the fear that we could lose our little girl at any time.

**"When she was born she was taken away to be resuscitated. We were told she was really poorly and were only shown photos of her, which was really hard. We spent three months in the Neonatal Unit and were told three times that she wasn't going to make it. We sat in the car one night and planned our daughter's funeral. I even went to buy her an outfit. But Nevaiah proved everyone wrong.**

"Looking after them both is hard. Aveena has Cerebral Palsy and brain damage from a bleed at birth. She has one kidney and will need a transplant. Even pushing a wheelchair and a pushchair to the park alone is tough. We knew we needed support and turned to Rainbows.

"Initially we were concerned that no one could take care of Nevaiah like us. But after our first stay at the Hospice, we knew it was somewhere we could leave her and not stress about anything.

**"The next few times we picked her up from Rainbows, she cried because she didn't want to leave. During Covid, Rainbows stepped up for us as our existing care package collapsed. We know we always have Rainbows.**

"Life is often scary for us. We've spent so many months in hospital, it has gotten to the stage where we don't unpack our bags when we get home. One time Nevaiah was blue-lighted to hospital. We were told they held out no hope. Again she proved everyone wrong.

"Nevaiah was fitted with a tracheostomy but because the surgery was so urgent, we only found out after that we would never hear our baby cry again, which is so upsetting. After her operation, we could see tears rolling down her face but no noise.

**"At Rainbows the team are experienced with working with children with tracheostomies - which is so reassuring as we know Nevaiah gets the best care she possibly could.**

"Nevaiah is such a happy little girl, you go to her and she jumps and smiles. She will give anything a go to the best of her ability. She continues to amaze us.

"We don't know what the future holds; it's always in the back of our minds and there are good days and bad days. But the girls are both so happy. We give them everything a child should have and as parents, you just learn to cope."

**"At Rainbows the team are experienced with working with children with tracheostomies - which is so reassuring to us as we know Nevaiah is getting the best care she possibly could."**

Nevaiah's Mum



### Who We Are and What We Do

Rainbows proudly celebrates its milestone 30th birthday in 2024.

Over the last three decades, not only have we earned an Outstanding rating by the Care Quality Commission, we've also helped thousands of families and established a reputation for excellence in children's palliative care across the East midlands.

Rainbows cares for families who have a baby, child or young person with a serious or terminal illness that means that their lives will be shorter than most. Since 1994 the Hospice, based in Loughborough, has grown and developed to provide a holistic range of vital support services and care that go way beyond the immediate needs of the individual child or young person. Our new outreach service, which see's specialist Rainbows Nurses working in hospitals across the region, combined with our Hospice at Home service means, now more than ever, we can be there for families wherever they need us.

### Our Vision

The Rainbows Experience wherever you are.

### Our Mission

Across the East Midlands we will:

- transform care for those children and young people who have a life-limiting or life-threatening condition
- relieve the pain and symptoms associated with life-limiting or life-threatening conditions
- support every child and young person to achieve their full potential
- create memories for families to treasure
- provide comfort and compassion at the time of and following the death of a child or young person

We provide the following services as part of the holistic care to our users

<b>End of Life Care</b>	<b>Symptom Control</b>	<b>Respite Care</b>	<b>Hydrotherapy</b>
<b>Music Therapy</b>	<b>Physiotherapy</b>	<b>Multisensory</b>	<b>Specialist Play</b>
<b>Complementary Therapy</b>	<b>Family Support</b>	<b>Neo-natal Support</b>	<b>Youth Support</b>
<b>Bereavement Support</b>	<b>Social Support</b>	<b>At Home Support Services</b>	<b>Psychological support</b>
<b>Sibling Support</b>	<b>Complex Care</b>	<b>Rainbows Nurses in Hospitals</b>	<b>Outreach Support</b>

## Introduction from the Chair of the Board of Trustees

It is my privilege to once again pen the introduction to the Annual Report. As you will read, it has been another year of change and challenge. Against the continued economic uncertainty and changing NHS landscape, the team at Rainbows has delivered a strong performance both in terms of the management of the financial resources, but also in delivering our services to an increased number of families in new ways. I continue to be immensely impressed and humbled by the skills and resilience of our staff to continue delivering the excellent services in supporting babies, children and young people, and their respective families. We continue to deliver and enhance our day to day services and look to furthering our strategy of reaching a greater number of families through nurses in hospitals as well as in the community.

I recognise that none of this would be possible without the continued generosity of our supporters and I am ever respectful and thankful for this. It was wonderful to welcome so many of our supporters at the recent Open Day, the first since pre-Covid, a tremendous success.

I want to take a moment here to thank my fellow Trustees for all their support and challenge over the past twelve months, especially as we returned to meetings in person. This in itself has proved so beneficial. During the year we said goodbye to Dr Gail Allsopp and Matt Rooney as they stood down as Trustees and I would like to convey my thanks for all their hard work and commitment. We also appointed new Trustees throughout the year. Pete Barry, Alison Neate, Lotte Rietveld, Sean O'Shea and Andrew Matthews are welcomed to the board and each will bring a different perspective and level of expertise that can only enhance and strengthen us as a collective.

Following a period of illness our Chief Executive, Dee Sissons, decided to stand down in May. Dee has presided over five successful years at Rainbows and we wish her good health and the very best for the future. Her development of the leadership team means we are in safe hands as we look for a successor.

Last year I spoke of difficult times, but it is increasingly clear to me that the world in general and the environment within which Rainbows operates is going to continually throw new challenges at us. As such, there will need to be an even greater focus on agility and innovation in developing our strategy for the next five years.

Recognising that Rainbows as an organisation continues to be in a better position than many, with a strong balance sheet, we cannot afford to be complacent and will therefore always be mindful of the challenges that we do or could face in the future. However, with the strong financial foundations coupled with a committed, innovative and skilled team, I am confident that Rainbows will adapt and therefore continue to thrive in this changing world and, most importantly, deliver the Rainbows experience to more families in the East Midlands.

It fills me with immense pride to Chair an organisation like Rainbows. An organisation that would not survive without the support of our volunteers and the individuals and organisations that are so very generous with their donations. On behalf of the Board, I extend our gratitude and best wishes.

## Paul Stothard - Chair



## 2. Our Strategic Report

### How We Work

#### Organisation

The Board has seen some changes during the year with three Trustees having stood down but in anticipation of this position we successfully recruited a further five Trustees that has also assisted in ensuring a diverse skill mix. In between the quarterly Board Meetings, the Clinical Quality Assurance Committee and the Corporate Governance Committee met four times during the year. The Audit Committee convened in July to receive the Auditor's report on the Annual Report and Accounts. As we recover post the Covid-19 pandemic, meetings have been conducted at Lark Rise which has proven beneficial and additionally Trustees are once again able to be more visible and engage with staff at the Hospice and at events.

#### Purpose Built Facilities

We operate the charity and run the Hospice from the Rainbows site at Lark Rise in Loughborough. The Hospice is a purpose built unit that houses 14 bedrooms, two quiet rooms, a therapy suite, offices and extensive grounds with gardens for play and quiet reflection. During 2023/24 we will be revisiting the footprint of Lark Rise to ensure we are making the most of available space and meeting our carbon neutral aspirations.

#### Staff Training and Development

Our care and other professional teams are committed to continuous professional development.

The Care Team are well qualified and experienced and are supported by specialists in play, physiotherapy, complementary therapy and music therapy. The team are supported by dedicated administrators, housekeepers and catering staff.

Medical Support is provided by GP's, ACP's (Advanced Clinical Practitioners) and Hospital and Community Paediatricians.

The charity has a Supporter Relations Team who raise the funds to enable the Charity to carry out its charitable purpose.

The Business Resources and People Teams provide support functions to the Hospice such as finance, IT, estates, facilities, health and safety, human resources and learning and development.



## Developing the Next Generation of Hospice Professionals

Rainbows supports a wide range of learning and development activities for staff and volunteers to meet mandatory requirements, develop role specific skills and address personal development needs identified through the appraisal process.

We have run a number of organisational development courses involving all staff and Trustees across the charity. This programme will continue.

During the year the charity financially supported 2 nurses to attend the Masters course in Paediatric Palliative Care in Cardiff, and the knowledge they gain will support the training of nurses, doctors and other health care professionals.

We work closely with local universities to support the needs of medical students. We support students on placement at Rainbows and offer clinical expertise, education and training in palliative care across the region and further afield.

We run palliative care courses at different academic levels to meet the identified training needs of internal staff and others external to Rainbows. We have also introduced a 'monthly' learning and development focus within the Care Team to ensure competence is maintained or to improve knowledge for new techniques.

The Charity is committed to being a learning and development organisation. With a programme of soft skills and specific skills training rolled out across the organisation to ensure our workforce has relevant and up to date skills fit for the future.

We are continuing to develop, embed and utilise the skills of our nursing workforce by working in partnership with the NHS. We now provide Hospice Nurses and Clinical Nurse Specialists in Hospitals and are developing our community and outreach model to ensure we continue to provide relevant services in a post Covid world.

**Our volunteer activity has now started to increase again following Covid-19 and last year collectively our volunteers donated 21,047 hours, which is equivalent to approximately eleven 'FTE's. At an average annual salary, including on costs, this would value their time at £368,000.**

## Volunteers

Without the generosity of the people and organisations of the East Midlands, Rainbows would simply not exist. Volunteers are an integral part of the Charity.

In addition to our regular active volunteers, we are also supported by many volunteers in the form of "friends" groups and individuals. They help us on an ad hoc basis with promoting Rainbows in their community, fundraising and event support, as well as organising their own fundraising initiatives.

In addition, we will continue to work alongside our volunteers based at Lark Rise in our shops and the community.

Our volunteers are also recognised and celebrated across the organisation at specific times during the year. We held a really successful Christmas event last year where all volunteers were able to come to Lark Rise, meet each other and be celebrated for their support.



## Our Priorities and Objectives

### Purpose

The purpose of the Charity, as set out in the governing document, is to provide the Rainbows experience to babies, children, young people and families wherever they are: Hospice, Hospital or Home.

### Aims

To provide emergency palliative and end of life care and short breaks, to babies, children and young people with serious or terminal conditions and to provide family and bereavement support to their families.

Across the East Midlands we will:

- transform care for those babies, children and young people who have a life-limiting or life-threatening condition
- relieve the pain and symptoms associated with life-limiting or life-threatening conditions
- support every child and young person to achieve their full potential
- create memories for families to treasure
- provide comfort and compassion at the time of and following the death of a child or young person

The Hospice offers dynamic forward-thinking services meeting ethnic, cultural, religious, spiritual, and care needs of those using the services.

### Significant Activities for Public Benefit

#### In Hospice Care

Care at the hospice in Lark Rise is made available to all babies, children and young people who meet the admission criteria laid down by the charity. Each has an allocation of nights they can attend the hospice during the year. We have slightly reduced the number of nights available due to increased demand for complex care and end of life stays.

Each baby, child and young person has an individualised care plan that details all of their care needs and choices, including information about the ways in which they would like to communicate with their carers.

#### Outreach Service

We continue to develop outreach services to include care and support in the home at the end of life, increasing our reach to all communities within the East Midlands.

#### Rainbows in Hospital

We also support a number of hospitals with Rainbows Palliative Care Specialist Nurses in both the Neonatal and Paediatric Units. We provide expert clinical advice to staff and emotional support to families and staff.

#### Family Support

Families of children with life-limited conditions are often overwhelmed by the challenge of caring for their children; the complexities of working with many professionals, services and appointments; the difficulties of maintaining family life and employment; and can be isolated in the community. Accessing hospice care from Rainbows helps by providing them with relief from the day to day responsibility of care; expert care for their sick child and support for the whole family, including siblings.

When a baby, child or young person is referred to Rainbows, a member of our Family Support Team will contact the family to talk about what they can expect from Rainbows. The team works in partnership with Community Nursing Teams and Social Care Providers to support families in the community, as well as when they are resident at the Hospice.

The Family Support Team offers a range of services including spiritual and cultural support and benefits advice. We have a Bereavement Support Lead who offers support with end of life care planning and in all aspects of bereavement care.

## Our achievements and performance

### Getting Full Use of our Facilities

We enable families to access the facilities throughout the week and on a number of weekends each year, we also make the facilities in our Therapy Wing available to some external groups, including other local charities and mother and baby groups.

Rainbows is an integral part of the East Midlands Children and Young People's Palliative Care Network and hosts regular meetings throughout the year.

### Statement on Public Benefit

The Charity provides public benefit through the operation of a hospice for babies, children and young people with life-limiting and life-threatening conditions and through the provision of family, community and bereavement support. The Trustees confirm that they have complied with the duty in Section 4 of the Charities Act 2006 to have due regard to public benefit guidance published by the Charity Commission in determining the activities undertaken by the Charity.

### Criteria for Measuring Success

The Trustees' criteria for measuring success is to ensure the Charity continues to develop its services and reaches more babies, children and young people who could benefit from the services we offer. We also seek to ensure our operating costs are well controlled whilst maintaining the quality of service delivery and that we maintain a level of income and reserves to ensure the sustainability of the Charity.

## Care

We are now entering the fourth year of our five-year strategy, which will focus on increasing our community and outreach services- developing a hospice at home service and moving our family support teams into locality-based services, bringing care and support closer to home for babies, children, young people and families across the East Midlands. We continue to support the wider Health and Social Care system by providing hospital step down and transition services.

We reached out to more families across the East Midlands during the year and have continued to provide outstanding care at our Hospice in Loughborough. During the year, we continued the work of providing care for some of our region's most unstable and complex children. And once again, this care was made possible because of the ongoing support we receive from our donors.

We continue to work with adult hospices and other services on ways in which we can successfully transition our young adults.

We have increased referrals into Rainbows by expanding our services and now reach more of those children who could benefit from Rainbows within the East Midlands, our strategic aim is to continue to increase the number of children we reach.



**“Reece has been coming to Rainbows since he was three and he loves it. As soon as you turn the corner into Lark Rise, he gets so excited.”**

Reece's Mum



### Care Continued

Below are some of the services we provided always ensuring these were in line with the latest Government guidelines. More details can be obtained from our 2022/23 Quality Account.

- end-of-life care
- symptom control
- step down beds to support the NHS
- Rainbows in Hospital
- 66% of total referrals related to under 1's
- provided family support to an average of 300 families per month.

### Investing in Technology

Throughout 2022/23 further successes were achieved in relation to our IT strategy. In May 2022 we implemented an online recruitment platform and in October 2022 our new HR and payroll system went live, on time and within budget. Additionally, further cyber security initiatives were implemented to protect our investment in a new private managed network. During the coming year we look to invest in new Windows 11 IT equipment, the roll out of SharePoint throughout Rainbows and implementing a rota system that will interface directly with our new HR and payroll system.

## Looking Ahead - 2023 and Beyond

We continue to implement our five year strategy to ensure our services remain relevant, accessible and responsive to the needs of families across the East Midlands. Having obtained Board approval in 2023/24 we will embark on the development and expansion of our Family Support and Outreach Services. This year we will develop and implement a Hospice at Home service providing End of Life care in the home, enabling families to have greater choice of place of death for their baby, child or young person.

We will also redesign our Family Support services and move them to locality based, meaning they are more accessible to families and care and support can be provided closer to home.

We have reinstated all services following the Pandemic. It is important that the links we have built up through the crisis are not lost but built on to work in true partnership with other professionals and the wider health and social care community. Rainbows is not an island but a part of the health community and the wider community.

We will continue to develop a 'workforce fit for the future' to ensure Rainbows services are sustainable in the future and responsive to the changing needs of babies, children and young people who use our services. To do this we will focus on developing our non-medical workforce, ensuring they have the skills, knowledge, competence and confidence to continue to care for the increasing complexity of the children we are seeing.

We will continue to provide assurance on the quality of the care we provide by embedding the 15 steps challenge, daily safety and risk briefings, engagement with Integrated Commissioning Boards (ICB's) to undertake Quality visits and gain and respond to feedback from service users.

**Sadly, some children just don't live long enough.**

Since 1994 we have opened our doors and hearts to those babies, children, young people and the people who love them most. And now more than ever, we need your help to keep on bringing care and happiness to our babies, children, young people and their families.

**Help brighten short lives**



## Principal Risks and Uncertainties

Through the risk management processes established for the charity, the Trustees are satisfied that the major risks identified have been adequately mitigated where necessary.

Major risks are identified and ranked in terms of their potential impact and likelihood; there are those which have a high likelihood of occurring and would, if they occurred, have a severe impact on the operational performance, achievement of aims and objectives or could damage the reputation of the charity, changing the relationship between Rainbows and our Trustees, supporters or beneficiaries.

As a charity providing care for babies, children and young people and their families all staff have a responsibility to ensure the safeguarding of children, young people and vulnerable adults. In order to fulfill our responsibilities and mitigate risks, DBS (Disclosure and Barring Service) checks are routinely performed on new and existing staff and volunteers where appropriate to do so. Trustees, staff and volunteers attend statutory and mandatory training, adhering to local Safeguarding Children and Adults Boards' policies and procedures and inter-agency guidance. The Charity has appropriate policies and procedures in place, employs a Safeguarding Lead and the Executive Nurse and Director of Clinical Operations has responsibility for oversight of this activity.

The annual review has identified only a few minor risks but this has resulted in improved procedures and contingency plans and has given the impetus for better planning. Particular attention was focused on non-financial risks which might arise from shortages of qualified and experienced staff which could affect the charity's ability to comply with healthcare requirements. From an employment perspective, the charity aims to recruit and maintain a motivated, skilled workforce, providing training and support as appropriate. We maintain high standards in employment practices to ensure the fair and efficient use of our most valuable asset, our people.

A key element in the management of financial risk is the setting of a risk reserves policy which is reviewed annually by the Trustees. The policy is informed by forecasts of future income levels, expenditure in future years, and an analysis of future needs, opportunities and contingencies of risk. If and when these risks arise, an assessment of the likelihood of each of those events arising and the potential consequences for the charity of not being able to meet them are also considered.

Low risks have been brought together in a "low risk register" so that we do not lose sight of these risks even if we consider them to have a low severity or impact at the time they were considered.

Going forward the Executive Team are working on a digital risk record where all risks will be captured, reported and reviewed through our Datix system. This provides greater scope for individuals to record risks which will then formulate into department, directorate and organisation risks. Organisation risks will continue to be reviewed and scrutinised at the Clinical Quality Assurance Committee and the Finance Audit and Risk committee.

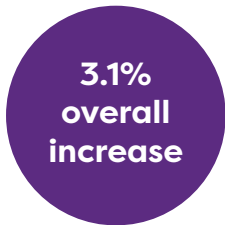


**Financial Review**

Results for the year ended 31 March 2023 are shown in the Consolidated Statement of Financial Activities on page 22. This, together with the Consolidated Balance Sheet on page 23, should be read in conjunction with the related notes which have been produced in accordance with the Charities SORP (FRS102).

The Trustees are pleased with the result for the year recognising the continuing impact from the Covid-19 pandemic and the uncertainties and challenges this has presented.

**Where Our Income Came From in 2022/2023**



Total income in the year grew by 3.1% from £7,976,000 to £ 8,227,000, which is an excellent result for the year.

All of our supporters, donors, funders and volunteers are incredible and never fail to amaze us with their dedication and commitment to helping the babies, children and young people and families that we support at Rainbows. We cannot thank enough each and every one of them for all they do and give in support of our cause.

Thank you so very much.

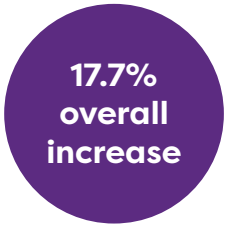
**How We Spent Your Money in 2022/2023**

Total expenditure during the year increased by 17.7% from £6,642,000 to £7,817,000.

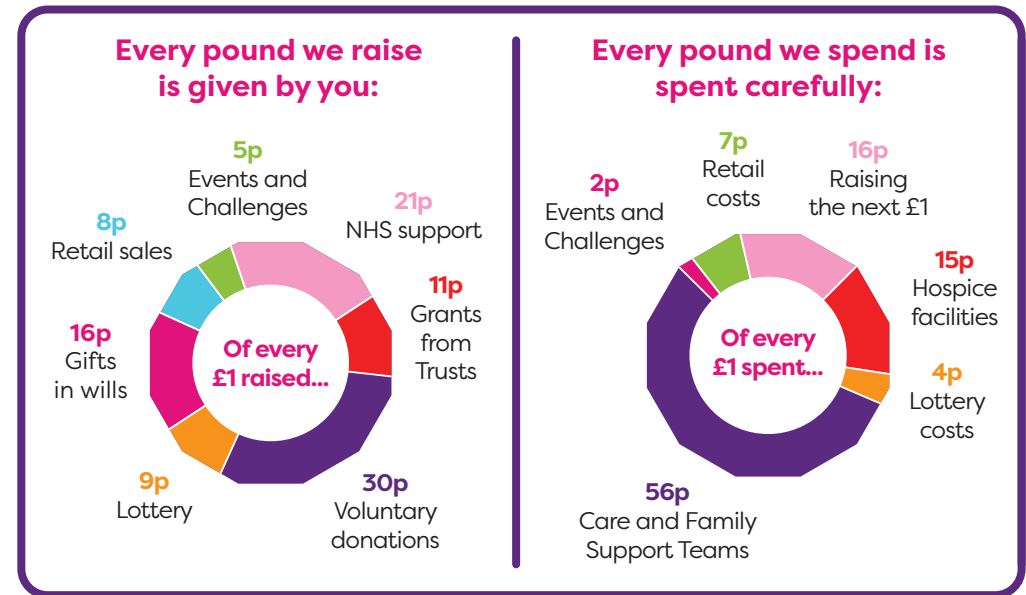
Expenditure on fundraising activities has increased to £2,323,000 from £2,064,000 in the previous year.

Overall charitable spending increased during the year from £4,565,000 to £5,500,000 and is 70% of the total expenditure for the year (2022 69%).

We aim to maximise the value of all donations by obtaining best value for money on all our operating costs. We exercise restraint on pay increase costs having due regard to the economic climate and other sector awards. Cost savings are never made at the expense of the quality of care we provide.



Staff employment costs were the largest item of expenditure in the year at 69% of total costs, and they represent the salaries of the care team within the hospice and the team of staff who provide support throughout the hospice and in the community.



**Review of Subsidiary Company Performance**

Company results are shown in note 12 to the accounts.

The charity has five shops and their financial performance improved collectively as a result of increased sales during the year. The subsidiary made a net profit of £46,692 (2022 - £51,794) for the year.

The Directors continue to review the development of retail activities as we gain an understanding of the economic climate post lockdown restrictions.

All activities in the trading subsidiary were transferred to the Charity on 1st April 2023.

## Reserves Policy

The charity's reserves are detailed in note 17 and 18 to the accounts.

The review of current and future predicted reserves, in line with forecast management accounts performance and cashflow requirements, demonstrates robustness and reassurance in relation to the preparation of the financial statements on a going concern basis.

The Trustees have established the level of reserves using the methodology outlined in the Charity Commission Guidance so have considered the level of required reserves based on the assets used in the charity and the risk to the charity and likelihood of an event occurring. This ensures that where reserves are needed to bridge any funding gaps between running the hospice and income being received, and events, commitments or emergency requirements, funds are available. This enables us to continue our current activities and fund short term expenditure should external funding drop significantly.

A review was carried out by the Director of Business Resources, the CEO and the Treasurer based on the Charity Commission Guidance on Reserves. The Trustees consider the level of required reserves to be £4,106,000 (2022 - £3,698,000) based on the report presented to them and agreed that both the policy and its implementation will be reviewed annually. The total free reserves at 31 March 2023 was £6,341,000 (2022 - £5,624,000). Note 18 details the analysis of reserves of the charity.

In addition to the above position, the Trustees consider it appropriate to retain the surplus reserves held for prudence in an uncertain economic climate and so that future strategic service developments can be pursued. We are in a positive position in that our surplus reserves will enable us to build our strategic aims in a sustainable way and allow for improvements in the utilisation of technology in our work. To facilitate these strategic aims Trustees have agreed to £2,185,000 of designated reserves.

## Investment Policy

The Trustees, having regard to the liquidity requirements of operating the hospice and to the reserves policy, have operated a policy of keeping a large proportion of available funds in interest bearing deposit accounts and seek to achieve a rate of deposit interest which matches or exceeds inflation. However, the Trustees have placed the security of cash deposits above possible financial return. Where monies are available that are not needed to fund immediate charitable activities, the Trustees have appointed investment managers on a discretionary basis. Regular communication is maintained between the investment managers and the Finance, Audit & Risk Committee relating to all portfolio changes. The Trustees exercise the "duty of care" described in the Trustee Act 2000 with regards to all investments.

## Review of Investment Performance

Brewin Dolphin, St James's Place and Investec have acted as investment managers to the Trust during the year. Investments made by the advisors on our behalf are within the risk classification "Cautious with Risk".

This year the performance of the investment portfolio, which is benchmarked against the WMA Private Investors Income Index (Total Return), has performed lower than the benchmark. At the year end the portfolio reflected a loss, on a total return basis, of -5.17% compared with the benchmark loss of -3.86%.

The Trustees carry out an annual review of the investment managers' performance.

### 3. Statement on Fundraising Activities

Rainbows has a team of fundraisers who are employed by the charity. This team of fundraisers, part of the Supporter Relations department, supports individuals and groups that fundraise on our behalf. They also raise funds from individual donors, events, companies and grant making bodies to secure the funds needed to keep the Hospice in operation year after year. The department is split into four teams which reflect the different focus areas for our fundraising activities.

The four departments are:

1. Individual Giving (which includes our lottery and gifts in wills)
2. Organisational Giving (focusing on companies and grant making bodies)
3. Community and Events
4. Retail

The teams all work collaboratively on all aspects of funding and work hard to ensure that we offer the best support we can to those who fundraise on our behalf. Our focus is to build long term meaningful relationships with our supporters.

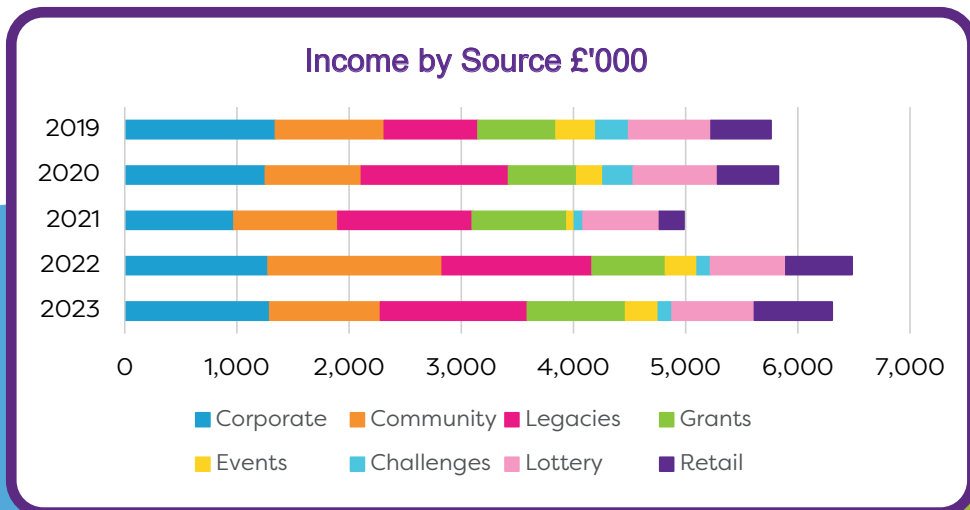
In addition to our in-house team, we have commercial contracts in place with Burden and Burden and Engage and Connect for the recruitment of new lottery players, which enables us to grow the amount of money we raise from the lottery to fund our work. All Rainbows fundraising activity complies with the Code of Fundraising Practice.

Where fundraising activity is taking place on our behalf (for example Burden and Burden or supporters putting their own events on for us) we ask that the Codes of Practice are followed. In some cases (as required by the Code of Fundraising Practice) we insist on a Commercial Participator Agreement being signed by all parties. Rainbows is registered with the Fundraising Regulator.

There is no occurrence of non-compliance with the Fundraising code.

In the year ended 31 March 2023 there were no significant matters of complaint that required further action.

The charity protects vulnerable people including its users by having appropriate checks and balances in our promotion of the charities fundraising activities to them and ensuring staff are aware of our responsibility in this area.



## 4. Structure, Governance and Statement of Trustees' Responsibilities

### Governing Document

Cope Children's Trust, operating as Rainbows Hospice for Children and Young People, is a registered charity and a Company limited by guarantee with one trading subsidiary, namely Cope Marketing Ltd. Rainbows Hospice in Loughborough is primarily engaged in the provision of specialist respite, symptom control, palliative and end of life care for children and young people with a life-limiting and life-threatening conditions. The governing document of the charity is the Articles of Association of the Company dated 2018. Having completed the review of the articles these were approved by the Board and the Charity Commission and adopted during 2019.

### Charity Governance Code

The Charity has its own Framework for Board and Governance which is drawn up in line with the Charity Governance Code and there are no material departures there from.

### Recruitment and Appointment of Trustees

Trustees are appointed in accordance with the Articles of the Company and serve for an initial period of three years. An audit of the Trustees' skills and a review of available skills is completed annually and also undertaken in relation to any vacant positions. All Trustees are also directors of the Company limited by guarantee. The articles state that all trustees serve a term of three years and may stand for two further terms. Thereafter Trustees may be elected for further periods on an annual basis.

Trustees may from time to time elect a Chair and one or more Vice Chair. The Chair may be re-elected once and serve a maximum of six years, although in exceptional circumstances the Chair can be re-elected for a further period of three years.

### Trustee induction and Training

New Trustees undergo an orientation day to brief them on their legal obligations under Charity and Company Law, the content of the Articles of Association of the Company, the sub-committee and decision-making processes, the business plan and recent financial performance of the charity. During the induction day they meet key employees and other Trustees. Training needs are discussed annually with the Chair as part of the appraisal process and Trustees can access training from a variety of sources. There are Trustee/Senior Management "away days" including training, education and strategic planning. All Trustees and senior management receive safeguarding training to enable them to monitor the charity's responsibilities in this area.

### Organisation

The Board of Trustees administers the charity. As a registered charity, a limited Company, an employer and a provider of health services to vulnerable babies, children and young people, Cope Children's Trust faces complex legislative and inspection arrangements. The Trustees have the responsibility to ensure that all the activities comply with best practice and that reliance can be placed on well documented procedures that are consistently applied. Two groups have been established to check that adequate procedures exist and to monitor by inspection that they are used effectively: a 'Corporate Governance' committee, comprising both Trustees and senior managers, and a 'Clinical Governance' committee, consisting of suitably qualified Trustees and the Executive Nurse. Both committees report to the full Board of Trustees. To facilitate effective operations, the Chief Executive Officer has delegated authority, within terms of delegation approved by the Trustees, for operational matters including employment, finance, and the day to day running of the Hospice.

To demonstrate good practice the Charity conducted an external governance review during the year. As a result of this review the Corporate Governance committee will be decommissioned and replaced by three new committees namely Finance Audit and Risk, Governance and Remuneration and Income Generation and Marketing. The Clinical Governance committee remains the same as previous.

## Related Parties

None of our Trustees receive remuneration or other benefits from their work with the charity. Any personal interest between a Trustee or senior manager and the charity's activities must be disclosed to the full Board of Trustees in the same way as any other contractual relationship with a related party. Transactions with related parties are disclosed in note 21 to the accounts. The charities wholly owned subsidiary Cope Marketing Ltd was established for non-primary trading activities and when available covenants its profits to the charity.

## Key Management Personnel Remuneration

The key management personnel are the Board of Trustees and members of the Senior Leadership Team who are detailed on page 17 and 18. The Trustees lead the strategic direction of the charity and act as an oversight Board to the Senior Leadership Team who manage the operational aspects of the charity on a day to day basis. The remuneration of the Chief Executive Officer and the Senior Leadership Team is reviewed and set annually by the Board of Trustees.

## Statement of Responsibilities of the Trustees

The Trustees (who are also directors of Cope Children's Trust for the purposes of company law) are responsible for preparing 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).

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

- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities SORP
- make judgements and estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements

- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity 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 group 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
- 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.

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantees at year end was 15 (2022 - 13). The Trustees are members of the charity but this entitles them only to voting rights. The Trustees have no beneficial interest in the charity.

## Auditor

Sayer Vincent LLP was re-appointed as the charitable company's auditor during the year and has expressed its willingness to continue in that capacity.

The Trustees' annual report which includes the strategic report has been approved by the Trustees on date and signed on their behalf by

## 5. Reference and Administration Details

**Chair** Paul Stothard

**Vice Chair** Sue Dryden

**Treasurer** Angela Browning

### Governance and Remuneration Committee

Chan Kataria OBE (Chair)

Paul Stothard

Alison Neate (appointed 23/02/2023)

### Finance Audit and Risk Committee

Angela Browning (Chair)

Joanne Brunner (retired 4/08/2022)

Vipal Karavadra

Dave Wilson

Andy Matthews (appointed 23/02/2023)

### Income Generation and Marketing Committee

Richard Whall (Chair)

Vijay Sharma

Lotte Rietveld (appointed 23/02/2023)

Sean O'Shea (appointed 23/02/2023)

### Clinical Quality Assurance Committee

Sue Dryden (Chair)

Matt Rooney (retired 14/03/2023)

Dr Gail Allsopp (retired 16/05/2022)

Dr Pete Barry (appointed 17/11/2022)

Christina Brooks

**Founder** Harry Moore

**President** The Duchess of Rutland

**Patrons** Anne Davies

Tony Jacklin CBE

Chris Cohen

Fiona Cairns

Andy Abraham

Ady Dayman

Angela Rippon OBE

William Roache MBE

David Walliams OBE

Nina Conti

Rakhee Thakrar

Sam Bailey

Lydia Bewley

Kwoklyn Wan

## 5. Reference and Administration Details (continued)

### Company Secretary

Glyn Rees-Jones

### Senior Leadership Team

Dee Sissons - Chief Executive Officer (retired 05/05/2023)

Julie Taylor - Executive Nurse and Director of Clinical Operations

Jane Burns - Director of Supporter Relations

Glyn Rees-Jones - Director of Business Resources

Julia Bates - Director of People

### Contact Details

Charity number - 1014051

Company number - 02743297

Operating name - Rainbows Hospice for Children and Young People

Principal and Registered Office - Lark Rise, Loughborough, Leicestershire, LE11 2HS

Countries of Registration and Incorporation: England and Wales

### Auditor

Sayer Vincent, London

### Principal Bankers

National Westminster Bank plc, Leicester

### Principal Solicitors

Shoosmiths, Nottingham

### Principal Investment Managers

Brewin Dolphin, Leicester and Investec, London



## 6. Independent Auditor's Report to the Members of Cope Children's Trust (Limited by Guarantee)

### Opinion

We have audited the financial statements of Cope Children's Trust (the 'parent charitable company') and its subsidiary (the 'group') for the year ended 31 March 2023 which comprise the consolidated statement of financial activities, the group and parent charitable company balance sheets, the consolidated statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 of the parent charitable company's affairs as at 31 March 2023 and of the 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
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011

### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the group 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 Cope Children's Trust'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, including the strategic report, other than the group financial statements and our auditor's report there on. The Trustees are responsible for the other information contained within the annual report. Our opinion on the group 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 group 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 group financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## Opinions on Other Matters Prescribed by the Companies Act 2006

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

- the information given in the Trustees' annual report, including the strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements
- the Trustees' annual report, including the strategic report, has been prepared in accordance with applicable legal requirements

## Matters on Which We Are Required to Report by Exception

In the light of the knowledge and understanding of the group and the parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' annual report, including the strategic report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and Charities Act 2011 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 financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

## Responsibilities of Trustees

As explained more fully in the statement of Trustees' responsibilities set out in the trustees' annual report, the Trustees (who are also the directors of the parent charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as 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 the 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's Responsibilities for the Audit of the Financial Statements

We have been appointed auditor under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts.

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

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

## Capability of The Audit in Detecting irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- we enquired of management, and the audit committee, which included obtaining and reviewing supporting documentation, concerning the group's policies and procedures relating to:
- identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance
- detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud
- the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations
- we inspected the minutes of meetings of those charged with governance
- we obtained an understanding of the legal and regulatory framework that the group operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the group from our professional and sector experience
- we communicated applicable laws and regulations throughout with the audit team and remained alert to any indications of non-compliance throughout the audit
- we reviewed any reports made to regulators
- we reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations
- we performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud
- in addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business

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 is available on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

## Use of our Report

This report is made solely to the charitable company's members as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. 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.

### Fleur Holden (Senior Statutory Auditor)

for and on behalf of Sayer Vincent LLP  
Charity Accountants, Statutory Auditor  
Invicta House, 108-114 Golden Lane, London, EC1Y 0TL  
Sayer Vincent LLP is eligible to act as auditor in terms of section 1212 of the Companies Act 2006

Date: 21/09/2023

## 7. Accounts and Notes to the Accounts

### Consolidated Statement of Financial Activities for the year ended 31 March 2023 Incorporating Income and Expenditure Account

	Notes	Unrestricted funds £	Restricted Funds £	Total 2023 £	Total 2022 £
<b>Income from</b>					
Donations and legacies	3	3,760,153	703,381	4,463,534	4,819,056
Charitable activities	3	514,520	1,222,158	1,736,678	1,363,204
Other trading activities	3	1,841,690	0	1,841,690	1,663,767
Investments	3	121,102	0	121,102	75,423
Other	3	63,632	0	63,632	54,753
<b>Total</b>		<b>6,301,097</b>	<b>1,925,539</b>	<b>8,226,636</b>	<b>7,976,203</b>
<b>Expenditure on</b>					
Raising funds	4	2,322,761	0	2,322,761	2,064,321
Charitable activities	5	3,472,428	2,027,476	5,499,904	4,565,057
Tax payable by subsidiary	10	(5,889)	0	(5,889)	12,351
<b>Total</b>		<b>5,789,300</b>	<b>2,027,476</b>	<b>7,816,776</b>	<b>6,641,729</b>
<b>Net (losses)/gains on investments</b>	12	<b>(220,437)</b>	<b>0</b>	<b>(220,437)</b>	<b>86,152</b>
<b>Net income/(expenditure)</b>		<b>291,360</b>	<b>(101,937)</b>	<b>189,423</b>	<b>1,420,626</b>
<b>Net movement in funds</b>		<b>291,360</b>	<b>(101,937)</b>	<b>189,423</b>	<b>1,420,626</b>
<b>Fund balances at 1 April 2022</b>		<b>9,156,251</b>	<b>3,340,627</b>	<b>12,496,878</b>	<b>11,076,252</b>
<b>Fund balances at 31 March 2023</b>	17/18	<b>9,447,611</b>	<b>3,238,690</b>	<b>12,686,301</b>	<b>12,496,878</b>

All income and expenditure derive from continuing activities.

The statement of financial activities includes all gains and losses arising during the year.

The detailed comparatives are all shown in Note 2.



**“I have always found it difficult to let go and allow someone else to take control but I trust the staff at Rainbows so much, it is great and it enables me to get some respite. Winnie loves the Multisensory Room and the Hydrotherapy Pool.”**

Winnie's Mum

## Group and Charity Balance Sheets at 31 March 2023

	Notes	Group 2023 £	Group 2022 £	Charity 2023 £	Charity 2022 £
<b>Fixed assets</b>					
Tangible assets	11	3,819,221	3,759,570	3,917,006	3,853,567
Investments	12	3,542,939	3,760,516	3,542,941	3,760,518
<b>Total fixed assets</b>		<b>7,362,160</b>	<b>7,520,086</b>	<b>7,459,947</b>	<b>7,614,085</b>
<b>Current assets</b>					
Stock	13	2,839	10,949	0	0
Debtors: including those due after one year	14	1,865,917	1,684,738	1,850,457	1,709,317
Cash at bank and in hand		4,646,969	4,220,603	4,645,343	4,140,230
<b>Total current assets</b>		<b>6,515,725</b>	<b>5,916,290</b>	<b>6,495,800</b>	<b>5,849,547</b>
<b>Creditors: amounts falling due within one year</b>	15	<b>1,191,584</b>	<b>939,498</b>	<b>1,150,743</b>	<b>874,214</b>
<b>Net current assets</b>		<b>5,324,141</b>	<b>4,976,792</b>	<b>5,345,057</b>	<b>4,975,333</b>
<b>Total net assets</b>		<b>12,686,301</b>	<b>12,496,878</b>	<b>12,805,004</b>	<b>12,589,418</b>
<b>The funds of the Charity</b>					
Restricted funds	17	3,238,690	3,340,627	3,352,256	3,457,279
Unrestricted funds	18	9,093,083	8,589,433	9,098,220	8,565,321
Fair value reserve	18	354,528	566,818	354,528	566,818
<b>Total Charity Funds</b>		<b>12,686,301</b>	<b>12,496,878</b>	<b>12,805,004</b>	<b>12,589,418</b>

As permitted by s408 Companies Act 2006, the Charity has not presented its own statement of financial activities and related notes. The charity's income for the year was £7,769,000 (2022 - £7,433,000). The charity's surplus for the year was £215,586 (2022 - surplus £1,365,625). The accounts were approved and authorised for issue by the Board of Trustees on 21/09/2023 and are signed on its behalf by:

**Paul Stothard - Chair of the Board of Trustees**

**Angela Browning - Treasurer**

The notes on pages 25 to 41 form part of these accounts

Company Registration No. 02743297

## Group Statement of Cashflows

	Notes	2023		2022	
		£	£	£	£
<b>Net cash provided by operating activities</b>	20		691,909		1,188,411
<b>Cash flow from investing activities</b>					
Payments to acquire tangible fixed assets		(384,885)		(366,691)	
Receipts from sale of tangible fixed assets		1,100		0	
Payments to acquire investments		(431,331)		(123,671)	
Receipts from sale of investments		393,283		118,480	
Interest received		35,986		3,798	
Dividends received		77,021		63,880	
Rent received from investment properties		8,095		7,745	
<b>Net cash used in investing activities</b>			<u>(300,731)</u>		<u>(296,459)</u>
<b>Net increase in cash or cash equivalents</b>			391,178		891,952
<b>Cash or cash equivalents at 1 April 2022</b>			<u>4,296,937</u>		<u>3,404,985</u>
<b>Cash or cash equivalents at 31 March 2023</b>			<u>4,688,115</u>		<u>4,296,937</u>
<b>Cash and Cash equivalents consist of</b>					
Cash at bank or in hand			4,646,969		4,220,603
Cash at investment managers			41,146		76,334
<b>Total</b>			<u>4,688,115</u>		<u>4,296,937</u>



## 1. Accounting Policies

### Company Information

Cope Children's Trust (the Charity) is a Company limited by guarantee, domiciled and incorporated in England and Wales. The group consists of Cope Children's Trust and its subsidiary (the Group), Cope Marketing Limited. In the event of the Company being wound up, the liability in respect of the guarantee is limited to £1 per member of the Charity. The address of the registered office is given in the reference and administration information on page 18.

### Basis of Preparation

The Charity constitutes a Public Benefit entity as defined by FRS 102. These financial statements have been prepared in accordance with: the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), Accounting and Reporting by Charities: Statement of Recommended Practice applicable to Charities applying FRS 102, the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Practice.

The accounts are prepared in sterling, which is the functional currency of the Charity. Monetary amounts in these accounts are rounded to the nearest £.

These accounts are prepared under the historical cost convention, modified to include the revaluation of fixed asset investments. The principal accounting policies adopted are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

### Basis of Consolidation

The consolidated financial statements incorporate those of Cope Children's Trust and its subsidiary (i.e. the entity that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits).

All financial statements are made up to 31 March 2023. Where necessary, adjustments are made to the financial statements of the subsidiary to bring the accounting policies used into line with those used by the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation.

### Going Concern

At the time of approving the accounts, the trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern. In line with ISA 570, it is felt that the charity can demonstrate it maintains sufficient reserves for the future based on prospective financial performance, cashflow and identification of risk reserves. Thus the Trustees continue to adopt the going concern basis of accounting in preparing the accounts.

### Funds

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.

Restricted funds are funds 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 cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the accounts.

Designated funds are funds which the Board have approved to be designated out of unrestricted reserves and which are for the purpose of spending against budgeted strategic aims. We anticipate these designated reserves will have been utilised in their entirety by 31 March 2026.

### Income Recognition

All income is included in the Statement of Financial Activities ("SOFA") when the Charity is legally entitled to the income after any performance conditions have been met, the amounts can be measured reliably and it is probable that the income will be received.

Entitlement to donations usually arises immediately on receipt. For donations to be recognised the Charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the Charity and it is probable that they will be fulfilled. Income Tax recoverable in relation to donations received under Gift Aid is recognised at the time of the donation.

### Income Recognition (Continued)

Donated facilities and donated professional services are recognised in income at their fair value when their economic benefit is probable, the amount can be measured reliably and the Charity has control over the item. Fair value is determined on the basis of the value of the gift to the Charity. For example the amount the Charity would be willing to pay in the open market for such facilities and services. A corresponding amount is recognised in expenditure.

No amount is included in the financial statements for volunteer time in line with the Charities SORP (FRS 102). Further detail is given in the Trustees' Annual Report.

Gifts in kind donated for resale or distribution are not recognised in the accounts until they are sold or distributed because the Trustees consider it is impractical to fair value the items due to the large volume of low value items. The Charity operates a retail Gift Aid Scheme for these goods which are sold in its shops on an agency basis.

Fixed asset gifts in kind are recognised when receivable and are included at fair value.

For legacies, entitlement is the earlier of the Charity being notified of an impending distribution or the legacy being received. At this point income is recognised. On occasions, legacies will be notified to the Charity but it is not possible to measure the amount expected to be distributed. On these occasions, the legacy is treated as a contingent asset and disclosed.

Income from charitable activities includes income received from NHS contracts, income from local care commissioning groups and local authorities. Income from these categories is recognised at fair value when the Charity has entitlement after any performance conditions have been met, it is probable that the income will be received and the amount can be measured with reliability. If entitlement is not met, then the amounts are deferred.

Income from trading activities includes income earned from the retail shops, fundraising events and trading activities to raise funds for the Charity. Income is received in exchange for supplying goods and services in order to raise funds and is recognised when entitlement has occurred.

Lottery income is accounted for in respect of those draws that have taken place in the year.

Investment income is earned through holding assets for investment purposes such as listed investments and property. It includes dividends, interest and rent. Where it is not practicable to identify investment management costs incurred within a

scheme with reasonable accuracy the investment income is reported net of these costs. It is included when the amount can be measured reliably. Interest is recognised on an accruals basis and dividend and rental income is recognised as the Charity's right to receive payment is established.

Income from government and other grants is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred. Income from NHSE Covid-19 funding through Hospice UK is included within charitable activities.

Other income primarily includes hire of facilities and other sources and is recognised on an accruals basis.

### Expenditure Recognition

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

- costs of raising funds includes costs incurred in seeking donations, grants and legacies, fundraising and investment management fees
- expenditure on charitable activities includes those costs providing specialist palliative care and support, community services, research and other educational activities undertaken to further the delivery of the objects of the Charity

Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

### Support Costs Allocation

Support costs are those that assist the work of the Charity but do not directly represent charitable activities and costs of raising funds and include office costs, governance costs, and administrative payroll costs. Support costs are allocated to costs of raising funds and expenditure on charitable activities on a basis consistent with use of the resources.

The analysis of these costs is included in note 6.

### Tangible Fixed Assets and Depreciation

Tangible fixed assets costing more than £250 are capitalised and other than freehold land are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

- freehold land is not depreciated
- leasehold property – over the life of the lease
- fixtures, fittings and equipment – on cost between three and seven years
- motor vehicles – on cost over four years

### Impairment of Tangible Fixed Assets

At each reporting period end date, the Charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset, or the asset's cash generating unit, is estimated and compared to the carrying amount estimated in order to determine the extent of the impairment loss (if any). Where the carrying amount exceeds its recoverable amount, an impairment loss is recognised in the SOFA.

### Fixed Asset Investments

Investments in equity instruments which are not subsidiaries are initially recognised at transaction price excluding transaction costs. Subsequently, they are measured at fair value with changes recognised in 'net gains / (and losses) on investments' in the SOFA if the shares are publicly traded or their fair value can otherwise be measured reliably. Other investments are measured at cost less impairment.

Investment property is measured at fair value at the reporting date with changes in fair value recognised in 'net gains / (losses) on investments' in the SOFA.

Interests in subsidiaries are measured at cost less impairment losses.

### Financial Instruments

Financial instruments are recognised in the group's balance sheet when the group becomes party to the contractual provisions of the instrument.

### Stocks

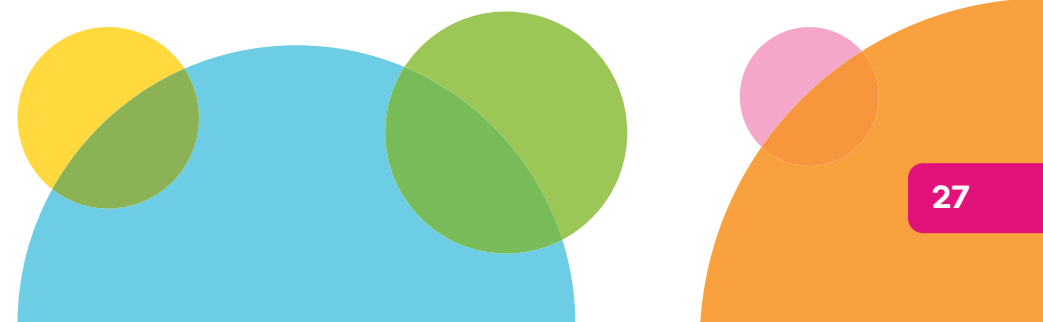
Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items. Stock cost is recorded at invoice price net of any discounts received. Donated items of stock for resale or distribution are not included in the accounts until they are sold or distributed because the Trustees consider it impractical to be able to assess the amount of donated stocks as there are no systems in place which record these items until they are sold and undertaking a stock take would incur undue cost for the Charity which would far outweigh the benefits.

### Debtors Receivable within One Year

Debtors with no stated interest rate and receivable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the SOFA.

### Cash at Bank and In Hand

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



### Creditors Payable Within One Year

Creditors with no stated interest rate and payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the SOFA.

### Loans

Loans are initially recognised at the transaction price including transaction costs. Subsequently, they are measured at amortised cost using the effective interest rate method, less impairment.

### Employee Benefits

When employees have rendered service to the Charity, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the Charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

### Retirement Benefits

The Charity contributes to the NHS defined benefit pension 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 therefore, the scheme is accounted for as a defined contribution scheme.

The Charity also contributes to defined contribution schemes for other staff that are not eligible to join the NHS pension scheme. Contributions are expensed as they become payable.

### Leases

Rentals payable under operating leases, including any lease incentives received, are charged to the SOFA on a straight line basis over the term of the relevant lease.

### Critical Accounting Estimates and Judgements

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

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

The Trustees do not consider there to be any key sources of estimates or uncertainty that have a significant effect on the amounts recognised in the financial statements.



## 2. Comparative Statement of Financial Activities

### Year ended 31 March 2022

#### Incorporating Income and Expenditure Account

	Unrestricted funds £	Restricted Funds £	Total 2022 £	Total 2021 £
<b>Income from</b>				
Donations and legacies	4,132,380	686,676	4,819,056	3,940,270
Charitable activities	620,177	743,027	1,363,204	1,621,443
Other trading activities	1,663,767	0	1,663,767	1,043,772
Investments	75,423	0	75,423	66,696
Other	54,753	0	54,753	507,445
<b>Total</b>	<b>6,546,500</b>	<b>1,429,703</b>	<b>7,976,203</b>	<b>7,179,626</b>
<b>Expenditure on</b>				
Raising funds	2,064,321	0	2,064,321	1,633,610
Charitable activities	2,934,457	1,630,600	4,565,057	4,349,838
Tax payable by subsidiary	12,351	0	12,351	2,338
<b>Total</b>	<b>5,011,129</b>	<b>1,630,600</b>	<b>6,641,729</b>	<b>5,985,786</b>
<b>Net gains on investments</b>	<b>86,152</b>	<b>0</b>	<b>86,152</b>	<b>449,560</b>
<b>Net income/(expenditure)</b>	<b>1,621,523</b>	<b>(200,897)</b>	<b>1,420,626</b>	<b>1,643,400</b>
<b>Net movement in funds</b>	<b>1,621,523</b>	<b>(200,897)</b>	<b>1,420,626</b>	<b>1,643,400</b>
<b>Fund balances at 1 April 2021</b>	<b>7,534,728</b>	<b>3,541,524</b>	<b>11,076,252</b>	<b>9,432,852</b>
<b>Fund balances at 31 March 2022</b>	<b>9,156,251</b>	<b>3,340,627</b>	<b>12,496,878</b>	<b>11,076,252</b>



### 3. Income

#### Donations and Legacies

	Unrestricted funds £	Restricted Funds £	Total 2023 £	Unrestricted Funds £	Restricted Funds £	Total 2022 £
Corporate donations and gifts	1,278,009	13,150	1,291,159	1,172,263	103,746	1,276,009
Community donations and gifts	933,041	55,693	988,734	1,528,453	25,326	1,553,779
Legacies receivable	1,309,537	0	1,309,537	1,334,691	0	1,334,691
Grants - Trusts and foundations	239,566	634,538	874,104	96,973	557,604	654,577
<b>Total</b>	<b>3,760,153</b>	<b>703,381</b>	<b>4,463,534</b>	<b>4,132,380</b>	<b>686,676</b>	<b>4,819,056</b>

The above figures include gifts in kind donated by supporters amounting to £38,232 (£7,206 in 2022).

#### Charitable Activities

	Unrestricted funds £	Restricted Funds £	Total 2023 £	Unrestricted Funds £	Restricted Funds £	Total 2022 £
Clinical Care Commissioning and Local Authorities	514,520	9,320	523,840	620,177	20,000	640,177
Grants from NHS England	0	1,168,916	1,168,916	0	603,293	603,293
NHSE Covid-19 Funding	0	43,922	43,922	0	119,734	119,734
<b>Total</b>	<b>514,520</b>	<b>1,222,158</b>	<b>1,736,678</b>	<b>620,177</b>	<b>743,027</b>	<b>1,363,204</b>

The income from the Clinical Care Commissioning Groups and local authorities relates to annually agreed contracts for the provision of Hospice services for the regions or individuals. The NHS England grant is our share of the block grant to children's hospices.

#### Other Trading Activities

	Unrestricted funds £	Restricted Funds £	Total 2023 £	Unrestricted Funds £	Restricted Funds £	Total 2022 £
Organised Events	292,677	0	292,677	283,644	0	283,644
Challenges	122,445	0	122,445	119,413	0	119,413
Lottery	734,718	0	734,718	669,780	0	669,780
Retail and business activities	691,850	0	691,850	590,930	0	590,930
<b>Total</b>	<b>1,841,690</b>	<b>0</b>	<b>1,841,690</b>	<b>1,663,767</b>	<b>0</b>	<b>1,663,767</b>

### 3. Income (continued)

#### Investment Income

	Unrestricted funds £	Restricted Funds £	Total 2023 £	Unrestricted Funds £	Restricted Funds £	Total 2022 £
<b>Income from</b>						
Listed investments	77,021	0	77,021	63,880	0	63,880
Interest receivable	35,986	0	35,986	3,798	0	3,798
Investment property income	8,095	0	8,095	7,745	0	7,745
<b>Total</b>	<b>121,102</b>	<b>0</b>	<b>121,102</b>	<b>75,423</b>	<b>0</b>	<b>75,423</b>

#### Other Income

	Unrestricted funds £	Restricted Funds £	Total 2023 £	Unrestricted Funds £	Restricted Funds £	Total 2022 £
Retail, hospitality and leisure grants income	0	0	0	16,000	0	16,000
Other sundry income	63,632	0	63,632	38,753	0	38,753
<b>Total</b>	<b>63,632</b>	<b>0</b>	<b>63,632</b>	<b>54,753</b>	<b>0</b>	<b>54,753</b>

### 4. Expenditure on Raising Funds

	Staff Costs £	Depreciation £	Other Costs £	Total 2023 £	Total 2022 £
Cost of seeking donations and legacies	656,668	0	225,190	881,858	834,776
Fundraising					
Events/challenges	28,497	0	90,735	119,232	113,266
Lottery	20,273	0	257,100	277,373	192,430
Retail and business activities	296,141	8,661	236,238	541,040	526,312
Investments management costs	0	0	12,996	12,996	11,228
Support costs allocated (note 6)	337,160	22,795	130,307	490,262	386,309
<b>Total</b>	<b>1,338,739</b>	<b>31,456</b>	<b>952,566</b>	<b>2,322,761</b>	<b>2,064,321</b>



## 5. Expenditure on Charitable Activities

	Staff Costs £	Depreciation £	Other Costs £	Total 2023 £	Total 2022 £
Hospice direct care costs	3,434,045	0	372,985	3,807,030	3,311,138
Support costs allocated (note 6)	644,190	293,778	754,906	1,692,874	1,253,919
<b>Total Care Costs</b>	<b>4,078,235</b>	<b>293,778</b>	<b>1,127,891</b>	<b>5,499,904</b>	<b>4,565,057</b>
Restricted expenditure				2,027,476	1,630,600
Unrestricted expenditure				3,472,428	2,934,457

## 6. Support Costs

	Raising Funds £	Charitable Expenditure £	Total 2023 £	Total 2022 £
Governance Staff costs	0	26,258	26,258	24,648
Governance Other costs	0	16,500	16,500	15,000
Support Staff costs	337,160	617,932	955,092	809,692
Depreciation	22,795	293,778	316,573	261,709
Establishment costs	45,919	260,207	306,126	198,801
Other administration costs	84,388	478,199	562,587	330,378
<b>Total</b>	<b>490,262</b>	<b>1,692,874</b>	<b>2,183,136</b>	<b>1,640,228</b>

Support costs have been allocated on a basis designed to reflect the use of the resources.

Governance other costs relate to the costs of the annual audit.

## 7. Net Income/Expenditure for the Year

	Total 2023 £	Total 2022 £
<b>Is stated after charging:</b>		
Depreciation	325,234	273,501
Operating leases - land and buildings	110,180	109,702
Auditor's remuneration (excluding VAT) - Audit	16,500	15,000
Auditor's remuneration (excluding VAT) - Other	1,185	1,075

## 8. Trustees Remuneration and Expenses

None of the Trustees (or any persons connected with them) received any remuneration or benefits from the Charity during the year, or the previous year. Two of the Trustees (but not any persons connected with them) received reimbursed expenses totalling £1,382 from the Charity during the year, in relation to mainly travel costs arising from activities or training as a Trustee. In the previous year, two Trustees received reimbursed expenses totalling £267.

## 9. Employees

Average Head Count excluding Trustees	2023 Actual	2023 FTE	2022 Actual	2022 FTE
Care	123	103	108	85
Administration	7	7	8	7
Fundraising	40	36	42	38
Finance	6	6	6	6
Human Resources	7	7	6	5
<b>Total</b>	<b>183</b>	<b>159</b>	<b>170</b>	<b>141</b>

## 9. Employees (continued)

Employment costs	Total 2023 £	Total 2022 £
Wages and salaries	4,670,984	4,047,856
Social security costs	427,828	335,415
Defined contribution pension costs	140,041	129,795
Defined benefit pension operating costs	161,302	134,066
Termination payments	16,819	17,833
<b>Total</b>	<b>5,416,974</b>	<b>4,664,965</b>
Key management costs - Total Remuneration	429,174	358,370
<b>Number of volunteers</b>	<b>253</b>	<b>208</b>
<b>Number of employees whose annual remuneration was</b>		
£60,000 - £70,000	2	4
£70,000 - £80,000	2	0
£80,000 - £90,000	1	1

Note, for both 2023 and 2022, all termination payments were fully paid in the year.

## 10. Tax Status

The company is a Registered Charity and is entitled to certain exemptions from Corporation Tax on profits from investments and its trading activities carried on in furtherance of the Charity's primary objectives. The trading subsidiary is subject to corporation tax on its profits. A taxation charge for the year of £3,611 has been recognised, (2022 - £12,351) which is offset by a release of £9,500 from the prior year accrual.



## 11. Tangible Fixed Assets

a) Group	Long Leasehold Property £	Fixtures Fittings and Equipment £	Motor Vehicles £	Total £
<b>Cost</b>				
At 1 April 2022	5,074,482	2,531,409	67,752	7,673,643
Additions	53,999	278,634	52,252	384,885
Disposals	0	(1,238,123)	(4,700)	(1,242,823)
<b>At 31 March 2023</b>	<b>5,128,481</b>	<b>1,571,920</b>	<b>115,304</b>	<b>6,815,705</b>
<b>Depreciation</b>				
At 1 April 2022	1,723,024	2,149,665	41,384	3,914,073
Charge for the year	113,078	205,191	6,965	325,234
Disposals	0	(1,238,123)	(4,700)	(1,242,823)
<b>At 31 March 2023</b>	<b>1,836,102</b>	<b>1,116,733</b>	<b>43,649</b>	<b>2,996,484</b>
<b>NBV</b>				
<b>At 31 March 2023</b>	<b>3,292,379</b>	<b>455,187</b>	<b>71,655</b>	<b>3,819,221</b>
At 31 March 2022	3,351,458	381,744	26,368	3,759,570

b) Charity	Long Leasehold Property £	Fixtures Fittings and Equipment £	Motor Vehicles £	Total £
<b>Cost</b>				
At 1 April 2022	5,234,823	2,341,070	51,986	7,627,879
Additions	53,999	276,968	52,252	383,219
Disposals	0	(1,227,015)	(4,700)	(1,231,715)
<b>At 31 March 2023</b>	<b>5,288,822</b>	<b>1,391,023</b>	<b>99,538</b>	<b>6,779,383</b>
<b>Depreciation</b>				
At 1 April 2022	1,761,455	1,973,921	38,936	3,774,312
Charge for the year	116,285	197,932	5,563	319,780
Disposals	0	(1,227,015)	(4,700)	(1,231,715)
<b>At 31 March 2023</b>	<b>1,877,740</b>	<b>944,838</b>	<b>39,799</b>	<b>2,862,377</b>
<b>NBV</b>				
<b>At 31 March 2023</b>	<b>3,411,082</b>	<b>446,185</b>	<b>59,739</b>	<b>3,917,006</b>
At 31 March 2022	3,473,368	367,149	13,050	3,853,567

Freehold land adjacent to the leasehold property was acquired as a gift from JS Bloor (Measham) Limited and Fairmeadow Limited in 2008. The Trustees believe its value is not material as the land is intrinsic to the Hospice site and buildings and could not be realised whilst this remains the case.

Leasehold property is inclusive of assets donated to the Charity in previous years. Such assets are valued at the cost price that would have been paid if the assets had not been donated as gifts in kind.

## 12. Fixed Asset Investments

a) Group	Listed Investments £	Cash held for investments £	Investment Property £	Subsidiary Undertaking £	Total £
Market value at 1 April 2022	3,385,182	76,334	299,000	0	3,760,516
Disposals at opening book value	(393,283)	0	0	0	(393,283)
Acquisitions at cost	431,331	0	0	0	431,331
Movement in Cash	0	(35,188)	0	0	(35,188)
Change in value in year	(243,437)	0	23,000	0	(220,437)
<b>Market value at 31 March 2023</b>	<b>3,179,793</b>	<b>41,146</b>	<b>322,000</b>	<b>0</b>	<b>3,542,939</b>

b) Charity	Listed Investments £	Cash held for investments £	Investment Property £	Subsidiary Undertaking £	Total £
Market value at 1 April 2022	3,385,182	76,334	299,000	2	3,760,518
Disposals at opening book value	(393,283)	0	0	0	(393,283)
Acquisitions at cost	431,331	0	0	0	431,331
Movement in Cash	0	(35,188)	0	0	(35,188)
Change in value in year	(243,437)	0	23,000	0	(220,437)
<b>Market value at 31 March 2023</b>	<b>3,179,793</b>	<b>41,146</b>	<b>322,000</b>	<b>2</b>	<b>3,542,941</b>

All assets are stated at fair value. The fair value of listed investments is determined by the market price, using the bid price, at the Balance Sheet date.

The fair value of the investment property was not independently valued but is determined by the Trustees by reference to the open market value for similar properties at the Balance Sheet date.

Total net losses on investments recognised in the SOFA total £220,437 which include £196,646 unrealised losses and £23,792 realised losses.

### Subsidiary Undertaking

Up to 31st March 2023, the Charity held 100% of the share capital of Cope Marketing Limited (no 03209321) a company registered in England and Wales. The principal activity is the sale of new and donated goods. With effect from 1 April 2023, the activities, staff, assets and liabilities of Cope Marketing Limited transferred to Cope Children's Trust and Cope Marketing Limited became operationally dormant. The loan was paid off in full at 31st March 2023. A summary of the trading results of Cope Marketing Limited is shown below:

	2023 £	2022 £
Turnover	537,351	545,307
Cost of sales	21,618	23,077
<b>Gross Profit</b>	<b>515,733</b>	<b>522,230</b>
Admin expenses	474,930	458,085
Taxation payable	(5,889)	12,351
<b>Profit for the year</b>	<b>46,692</b>	<b>51,794</b>
<b>Total comprehensive income</b>	<b>46,692</b>	<b>51,794</b>



**Subsidiary Undertaking (continued)**

	2023 £	2022 £
Fixed assets	20,916	27,911
Current assets	23,751	138,543
Current liabilities	(44,667)	(89,284)
Long term liabilities	0	(47,800)
<b>Total net liabilities</b>	<b>0</b>	<b>29,370</b>
<b>Aggregate share capital and reserves</b>	<b>0</b>	<b>29,370</b>

**13. Stock**

	2023		2022	
	Group £	Charity £	Group £	Charity £
Goods for resale	2,839	0	10,949	0

**14. Debtors**

	2023		2022	
	Group £	Charity £	Group £	Charity £
Trade debtors	137,742	134,427	27,806	26,183
Amounts due from group undertaking	0	0	0	71,800
Prepayments	295,060	287,583	246,315	210,015
Other debtors	71,610	69,721	90,034	84,283
Accrued income	1,361,505	1,358,726	1,320,583	1,317,036
<b>Total</b>	<b>1,865,917</b>	<b>1,850,457</b>	<b>1,684,738</b>	<b>1,709,317</b>

Amounts due from Group undertakings includes a current account and a loan to Cope Marketing Limited.

Interest on the loan was charged at 2.5% above the Bank of England base rate and the agreed monthly loan repayments of £2,000 each month were made. The outstanding balance on the loan was then repaid in full on 31st March 2023.

Accrued income includes legacies receivable of £1,197,581 (2022 £1,182,445).

**15. Creditors: Amounts Falling Due Within One Year**

	2023		2022	
	Group £	Charity £	Group £	Charity £
Trade Creditors	190,268	182,073	205,044	189,427
Amounts owed to group undertaking	0	3,826	0	0
Taxes and Social Security	104,008	100,397	109,648	97,297
Accruals	314,935	284,264	227,721	195,685
Deferred Income	582,373	580,183	397,085	391,805
<b>Total</b>	<b>1,191,584</b>	<b>1,150,743</b>	<b>939,498</b>	<b>874,214</b>

Deferred income represents income received in advance for grants, lottery ticket draws and entrance fees relating to events occurring in the next financial year. The movements in deferred income are shown below:

	2023		2022	
	Group £	Charity £	Group £	Charity £
Balance at the beginning of the year	397,085	391,805	829,491	823,791
Amount released to income in the year	(374,589)	(369,309)	(762,153)	(756,453)
Amount deferred in the year	559,877	557,687	329,747	324,467
<b>Balance at the end of the year</b>	<b>582,373</b>	<b>580,183</b>	<b>397,085</b>	<b>391,805</b>

## 16. Pension costs

### Defined Contribution Schemes

The Charity operates a defined contribution pension scheme and contributions are charged in the financial statements as they are incurred. This scheme was closed to new members from the 31 March 2014 other than to senior employees joining the Charity.

With the introduction in July 2015 of the statutory requirements for employers to contribute to schemes and for employees to be auto-enrolled in a scheme, the Charity adopted the Government's own scheme - The People's Pension.

The Charity also contributed to the personal pension arrangements of a small number of employees who have their own private schemes.

### Defined Benefit Scheme

Past and present employees are covered by the provisions of the two NHS Pension Schemes. Details of the benefits payable and rules of the Schemes can be found on the NHS Pensions website at [www.nhsbsa.nhs.uk/pensions](http://www.nhsbsa.nhs.uk/pensions). Both are unfunded defined benefit schemes that cover NHS employers, GP practices and other bodies, allowed under the direction of the Secretary of State for Health and Social Care in England and Wales. They are not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, each scheme is accounted for as if it were a defined contribution scheme: the cost to the NHS body of participating in each scheme is taken as equal to the contributions payable to that scheme for the accounting period.

In order that the defined benefit obligations recognised in the financial statements do not differ materially from those that would be determined at the reporting date by a formal actuarial valuation, the FReM requires that "the period between formal valuations shall be four years, with approximate assessments in intervening years".

An outline of these follows:

#### a) Accounting valuation

A valuation of scheme liability is carried out annually by the scheme actuary (currently the Government Actuary's Department) as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period, and is accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as at 31 March 2023, is based on valuation data as 31 March 2022, updated to 31 March 2023 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used.

The latest assessment of the liabilities of the scheme is contained in the report of the scheme actuary, which forms part of the annual NHS Pension Scheme Accounts. These accounts can be viewed on the NHS Pensions website and are published annually. Copies can also be obtained from The Stationery Office.

#### b) Full actuarial (funding) valuation

The purpose of this valuation is to assess the level of liability in respect of the benefits due under the schemes (taking into account recent demographic experience), and to recommend contribution rates payable by employees and employers.

The latest actuarial valuation undertaken for the NHS Pension Scheme was completed as at 31 March 2016. The results of this valuation set the employer contribution rate payable from April 2019 to 20.6% of pensionable pay.

The actuarial valuation as at 31 March 2020 is currently underway and will set the new employer contribution rate due to be implemented from April 2024.

The 2016 funding valuation also tested the cost of the Scheme relative to the employer cost cap that was set following the 2012 valuation. There was initially a pause to the cost control element of the 2016 valuations, due to the uncertainty around member benefits caused by the discrimination ruling relating to the McCloud case.

HMT published valuation directions dated 7 October 2021 (see Amending Directions 2021) that set out the technical detail of how the costs of remedy are included in the 2016 valuation process. Following these directions, the scheme actuary has completed the cost control element of the 2016 valuation for the NHS Pension Scheme, which concludes no changes to benefits or member contributions are required. The 2016 valuation reports can be found on the NHS Pensions website at <https://www.nhsbsa.nhs.uk/nhs-pension-scheme-accounts-and-valuation-reports>.

Employer contributions	2023		2022	
	Group £	Charity £	Group £	Charity £
To defined contribution schemes	140,041	132,309	129,795	121,677
To defined benefit scheme	161,302	161,302	134,066	134,066
<b>Total</b>	<b>301,343</b>	<b>293,611</b>	<b>263,861</b>	<b>255,743</b>

## 17. Restricted Funds

### (a) Group

The funds of the Group include restricted funds comprising the following balances of donations and grants held on trust for specific purposes:

Movement in funds	Building for the future £	Hospice Funding £	Original Hospice £	Total £
Balance at 2022	2,150,036	386,011	804,580	3,340,627
Income	0	1,925,539	0	1,925,539
Expenditure	0	(1,831,396)	0	(1,831,396)
Depreciation	(57,105)	(106,902)	(32,073)	(196,080)
<b>Balance at 2023</b>	<b>2,092,931</b>	<b>373,252</b>	<b>772,507</b>	<b>3,238,690</b>

### (b) Charity

The funds of the Charity include restricted funds comprising the following balances of donations and grants held on trust for specific purposes:

Movement in funds	Building for the future £	Hospice Funding £	Original Hospice £	Total £
Balance at 2022	2,266,688	386,011	804,580	3,457,279
Income	0	1,925,538	0	1,925,538
Expenditure	0	(1,831,396)	0	(1,831,396)
Depreciation	(60,190)	(106,902)	(32,073)	(199,165)
<b>Balance at 2023</b>	<b>2,206,498</b>	<b>373,251</b>	<b>772,507</b>	<b>3,352,256</b>

The 'Building for the Future' fund is for the therapy wing at the main Hospice site in Loughborough, Leicestershire.

The 'Hospice Funding' amounts were donated for the purchase of specified items on the Hospice wish expenses and equipment list and to increase services.

The 'Original Hospice' relates to the leasehold property building fund.

## 18. Unrestricted income Funds

### (a) Group

The funds of the Group include unrestricted funds comprising the following balances:

Movement in funds	Balance at 2022 £	Movement in year £	Revaluation £	Balance at 2023 £
Designated funds for Strategic Aims	2,741,491	(556,854)	0	2,184,637
General funds	5,847,942	1,044,860	15,644	6,908,446
Unrestricted funds excluding fair value reserve	8,589,433	488,006	15,644	9,093,083
Fair value reserve	566,818	(196,646)	(15,644)	354,528
<b>Total unrestricted income funds</b>	<b>9,156,251</b>	<b>291,360</b>	<b>0</b>	<b>9,447,611</b>

### (b) Charity

The funds of the Charity include unrestricted funds comprising the following balances:

Movement in funds	Balance at 2022 £	Movement in year £	Revaluation £	Balance at 2023 £
Designated funds for Strategic Aims	2,741,491	(556,854)	0	2,184,637
General funds	5,823,830	1,074,109	15,644	6,913,583
Unrestricted funds excluding fair value reserve	8,565,321	517,255	15,644	9,098,220
Fair value reserve	566,818	(196,646)	(15,644)	354,528
<b>Total unrestricted income funds</b>	<b>9,132,139</b>	<b>320,609</b>	<b>0</b>	<b>9,452,748</b>

Designated funds for strategic aims includes planned spend on nurses in hospitals, outreach, other care developments, IT projects and lark rise developments. It is expected that £0.7m of designated funds will be spent during the financial year to 31 March 2024, with the balance of the designated fund expected to be spent over the following two years.

The fair value reserve represents the revaluation gains on the investment property and listed investments.

## 19. Analysis of Net Assets Between Funds

(a) Group Fund balances at 31 March 2023 are represented by:

	Unrestricted fund £	Restricted funds £	Balance at 2023 £
Tangible Fixed Assets	942,472	2,876,749	3,819,221
Investments	3,542,939	0	3,542,939
Current assets	6,153,784	361,941	6,515,725
Creditors due within one year	(1,191,584)	0	(1,191,584)
<b>Total</b>	<b>9,447,611</b>	<b>3,238,690</b>	<b>12,686,301</b>

(b) Charity Fund balances at 31 March 2023 are represented by:

	Unrestricted fund £	Restricted funds £	Balance at 2023 £
Tangible Fixed Assets	926,691	2,990,315	3,917,006
Investments	3,542,941	0	3,542,941
Current assets	6,133,859	361,941	6,495,800
Creditors due within one year	(1,150,743)	0	(1,150,743)
<b>Total</b>	<b>9,452,748</b>	<b>3,352,256</b>	<b>12,805,004</b>

## 20. Reconciliation of Net Income /(Expenditure) to Net Cash provided by Operating Activities

	2023 £	2022 £
Net income for the year	189,423	1,420,626
Investment income	(121,102)	(75,423)
Depreciation of tangible assets	325,234	273,501
Losses/(Gains) on investments	196,645	(80,528)
(Profit) on disposal of tangible fixed assets	(1,100)	0
Losses/(Profit) on disposal of fixed asset investments	23,792	(5,624)
Decrease/(Increase) in stocks	8,110	(99)
(Increase) in debtors	(181,179)	(175,316)
Increase/(Decrease) in creditors	252,086	(168,726)
<b>Net cash provided by operating activities</b>	<b>691,909</b>	<b>1,188,411</b>

## 21. Related Parties

The transactions between the charity and subsidiary include the interest on the loan amounting to £3,165 (2022 £2,507). During the year, the subsidiary sold donated goods on behalf of the charity which amounted to £143,633 (2022 £84,313).

## 22. Operating Lease Commitments

At the reporting date the group and Charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases which fall due as follows:

	2023		2022	
	Group £	Charity £	Group £	Charity £
<b>Operating leases which expire:</b>				
Within one year	31,858	2,747	51,050	0
Between two and five years	15,144	8,550	35,704	0
In over five years	0	0	0	0
<b>Total</b>	<b>47,002</b>	<b>11,297</b>	<b>86,754</b>	<b>0</b>

Cope Children's Trust acts as guarantor for the leases of two of the subsidiary company's charity shops. Outstanding commitments for future minimum lease payments in respect of these shops total £10,011 (2022 £39,011).





**“It is such a nice environment for Aadi to be in and to mix with other children who have disabilities like himself. It is also lovely to meet other families, which is important for us as parents. It is a good support network.”**

Aadi’s Mum

### 23. Financial Instruments

	2023		2022	
	Group £	Charity £	Group £	Charity £
<b>Carrying amount of financial assets:</b>				
Measured at fair value through income and expenditure	3,179,793	3,179,793	3,385,182	3,385,182

Financial assets measured at fair value comprise listed investments.

The basis of fair value for quoted investments is equivalent to the market value, using the bid price.

The main risk to the Charity from financial instruments lies in the combination of uncertain investment markets and volatility in yield.

Liquidity risk is anticipated to be low as all assets are traded and the commitment to intervention by central banks and market regulators has continued to provide for orderly trading in the markets and so the ability to buy and sell quoted equities and stock is anticipated to continue. The Charity’s investments are mainly traded in markets with good liquidity and high trading volumes. The Charity has no material investment holdings in markets subject to exchange controls or trading restrictions.

The Charity manages these investment risks by retaining expert advisors and operating an investment policy that provides for a high degree of diversification of holdings within investment asset classes that are quoted on recognised stock exchanges. Furthermore, regular communication is maintained between the advisors and the Trustees.

# Thank you for making a difference and helping to brighten short lives!



“Rainbows is  
my reminder that no  
matter what storm  
we all go through, the  
rainbow will always  
be there to shine a  
light on us all.”

Rainbows' Mum



[rainbows.co.uk](https://rainbows.co.uk)

Rainbows is registered as Cope Children's Trust in England and Wales. Registered Charity No. 1014051.  
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