

Report and Financial Statements

For the financial period 04 April 2021 to 2 April 2022

Acorns Children's Hospice Trust

(A company limited by guarantee)



Your local children's hospice

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(a company limited by guarantee)

Report and Financial Statements

For the financial period

4 April 2021 to 2 April 2022

Charity number 700859

Company number 2036103

Prepared in accordance with the requirements of:

- > the Charities Act 2011;
- > the Charities Statement of Recommended Practice (effective 1 January 2019)
- > the Companies Act 2006;
- > Acorns Articles of Association;
- > the relevant Financial Reporting Standard (FRS 102); and,
- > Charity Commission guidance on public benefit statements.

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Overview

A message from our Chairman

Welcome to this year's Annual Report and Financial Statements. Let me start by sharing the very best wishes of everyone at Acorns Children's Hospice to those reading this report, and your loved ones.

We look back on this period as a second, and hopefully the last, full year of the Covid-19 pandemic. While mercifully less devastating than the first, it was still such a challenging year for the children and families that we support at Acorns, as well as for those working and volunteering with us. Because of the emergence of the Omicron variant, and the reduction of most restrictions shortly afterwards, we actually saw higher levels of infection than the year before, both in our client group and in our own hospice, shop and support teams.

I am particularly proud that Acorns was able to keep open the doors of our children's hospices in Walsall and Worcester every single day of this two-year pandemic. In September 2021, we were finally able to fully restore our residential service from our Birmingham hospice as well. I am happy to note that since that time, and despite the considerable disruption from the different Omicron waves over the winter and spring, we have offered a full and uninterrupted care service from all of our three Acorns children's hospices.

At our most recent Board meeting, Trustees were privileged to hear from Rachel, the mother of one of the children we support at our Black Country hospice in Walsall. She is also one of our Parent Ambassadors at Acorns. This was the first time the whole Board had met in person since February 2020. Rachel was invited to share with Trustees her family's experience of the pandemic and to feed back on the support they received from Acorns. We were all moved to hear just how difficult the two years had been for Rachel and her family, but also inspired by her incredible resilience, courage and positivity. Above all, we were just very grateful to hear how much our care service had meant to her and her family over the past two years, and more determined than ever, going forward, to reach as many others as we can. It is truly a privilege as well as a responsibility that Acorns were in a position to offer our children's hospice care throughout the pandemic to so many families like Rachel's.

I should like to believe that we can finally talk of the Covid crisis in the past tense. And yet, the start to 2022 has been extremely difficult for other reasons. We are witnessing a terrible war in Europe and a cost of living crisis. The impact will inevitably again be felt most by vulnerable members of our community. It is a sad fact that, even in the best of times, many Acorns families face substantial economic challenges. We will do whatever we can to support them.

I explained in my introduction to last year's report that, given the extreme volatility of the external environment in early 2021, Trustees had chosen not to develop and approve a new three year strategy. Instead we created a one year plan, which we called our "Bridge Strategy", a deliberately broad planning framework under which we could act and react with the flexibility and agility that such an uncertain external environment demanded.

Looking back at the end of the year, this feels like the right thing to have done. We used the year wisely. We continued to deliver our care service and gradually restore it to pre-pandemic levels. We also took the opportunity to learn lessons from the pandemic, and to identify changing patterns of demand, care delivery and resourcing models. We identified and reflected on best practice at Acorns and other children's hospices. We pushed forward with the first important actions resulting from the Care Review conducted in early 2021- investing in new clinical leadership structures, and increasing the capacity of our family service team, so we can support more parents, grandparents and siblings of the children who attend Acorns, and also attract new families eligible to access our services.

Financially, we had a very encouraging year. Our charity shops performed as well as they have ever done, benefiting from the generosity of those donating and buying items, and also perhaps a sign that greater awareness about the environment and climate change is positive for charity retail. Most "mass" fundraising events and community activities with partners such as schools remained extremely subdued, and our income from these remained well below long-term average levels.

Acorns was again exceptionally well supported with donations from individual supporters, companies, as well as by charitable trusts and foundations. Of particular note was that gifts made as legacies from supporters remembering Acorns in their wills was much higher than average over recent years. This actually resulted from an almost two year backlog of the probate process starting to ease by the early months of 2022, leading to much higher than normal levels of notifications in February and March in particular. Trustees have been delighted that our improved financial situation has allowed us to set aside funds to carry out a series of long-overdue and much-needed investment in our hospice buildings. The most significant project is a major refurbishment of our Black Country hospice in Walsall, the first in its almost 25 year history.

Trustees are confident now that we can again plan with a three-year time horizon, and we have a new strategy covering that duration. Its title is "For Any Child", reflecting the fundamental wish of the team at Acorns, which is that we are there for any child or family that needs our care and support. You can find a copy of this strategy on our website. The overarching ambition for our next strategy is to reach more children and families – in order to do so, we need not just to stimulate awareness and demand for our care service, but also ensure that we have the right workforce and culture. Finally, and importantly, we need to ensure we have sufficient funds to run a stable and sustainable care service – funds raised from our NHS partnerships, our shops and from our generous and loyal supporters.

We feel truly privileged at Acorns to be a trusted channel between your compassion and generosity, and the children and families in your community who need children's hospice care. I want to end my introduction to our Annual Report paying special thanks to four groups of people.

Firstly, a huge thank you to our incredible team of staff and volunteers at Acorns. Your bravery, creativity and resilience to have come through a second year of the pandemic are fantastic. While this last year for most people was better than the year before, it was still an exceptionally difficult one by any normal standards. You have again been simply inspirational, compassionate and committed in how you approached the second year of

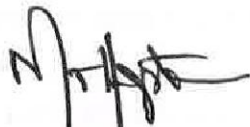
a crisis that had already drained so much of everybody's reserves of energy and resilience. Thank you.

Secondly, thank you to everyone who has supported Acorns financially over the past year. We have raised the funds we needed to deliver our care service, because our magnificent donors have continued to support us. We are now in a position to make some much-needed investments in our hospices, while keeping our free reserves at the right levels for a charity of our size and sophistication. The generosity you have shown us at Acorns is truly inspiring, in the face of the economic and financial challenges we know so many of you have faced yourselves. We could not have got through this pandemic without you. Thank you.

Thirdly, we would like to acknowledge the critical importance of our national and local partnerships with the NHS. Collaborative is one of our core values at Acorns, and it is our ambition to develop meaningful and lasting partnerships with all those in a position to plan or deliver health and social care services to life limited or life threatened children and families across the West Midlands and Gloucestershire. I note with real satisfaction the impact that Dr Christine Mott's joining our team in September as a Paediatric Palliative Care Consultant has already had not just on our own clinical service, but also on the quality of our partnerships with Birmingham Women and Children's Hospitals, and with other members of the West Midlands Paediatric Palliative Care Network.

We were grateful to receive a third tranche of special NHS England funding towards the end of the year. This was part of a national grant negotiated by Hospice UK on behalf of all the country's children and adult hospices, recognising the significant contribution our residential and family support service could play in relieving pressures on hospitals and other NHS services during the Omicron winter wave. As we said last year, NHS England funding over the pandemic has been totally essential to our ability to continue to provide our children's hospice care service throughout the crisis. We will always be grateful for this support.

Finally, and most importantly, I would like to say thank you to the children and families who look to Acorns, often as a second home and as part of their extended family. As we were able to say to Rachel in person in March 2022, you are and remain our *raison d'être* and a constant source of inspiration to the Board of Trustees and to our staff and volunteer team. We know how hard these past two years have been for you, and we will work harder than ever to make sure that you can access the children's hospice service that is suitable for you and your child's particular circumstances. We will always look back with awe at the resilience and optimism you have shown during this protracted and most challenging of crises, and you can depend upon our support, whatever the future holds.



Mark Hopton

Chairman of Acorns Board of Trustees

9 August 2022

About Acorns Children's Hospice

Our charitable purpose

Acorns provides care for babies, children and young people, who are life limited or life threatened up to the age of 18. We offer a network of specialist palliative nursing care and support for local families. Most of the children and young people that we help require specialist care 24 hours a day, 7 days a week.

We aim to meet the medical, emotional, cultural, religious and spiritual needs of each child and their family. Care is provided in our hospices and in the wider community, including the family home. Our three hospices are:

- > Acorns in Birmingham, based in Selly Oak, supports families from Birmingham, North Warwickshire and Coventry.
- > Acorns in the Black Country, based in Walsall, supports families from Walsall, Sandwell, Dudley, Wolverhampton, Staffordshire and Shropshire.
- > Acorns for the Three Counties, based in Worcester, supports families from Worcestershire, Herefordshire, Gloucestershire and South Warwickshire.

Our vision

Every baby, child and young person living in our region who is life limited or life threatened and their families will receive the specialist care and support they need.

Our mission

- > To provide essential specialist palliative care services to babies, children, young people and their families across our region.
- > To deliver these services in partnership with others.
- > To champion the cause of children's palliative care.

Our values

At Acorns we are:

- > **Caring** - We are passionate about getting it right, actively responding to individual needs to deliver the highest quality of care and service.
- > **Committed** - We are determined to achieve our goals and take accountability for our results.
- > **Trusted** - We build effective relationships based upon trust by consistently being open, honest and transparent, delivering what we commit to.
- > **Collaborative** - We actively work together with colleagues and build external partnerships that help us deliver our mission.
- > **Courageous** - We are brave in challenging the status quo, embracing difference and change.
- > **Curious** - We are inquisitive and empathetic, putting ourselves in the position of others. We seek to understand the why, exploring different ways to succeed.

What we do

Caring for a child with complex medical needs can place unimaginable demands on a family, both physically and emotionally. When time is short every moment is precious which is why, as well as providing specialist care, we help families to make lasting memories.

Babies, children and young people are eligible for our care if they are life limited or life threatened as a result of an illness in one of the four categories defined by Together for Short Lives (a national UK charity for children's palliative care), as follows:

- > Conditions where curative treatment may fail
- > Conditions that mean premature death is inevitable
- > Progressive conditions without curative options
- > Irreversible conditions causing severe disability

We do everything we can to support families and help them to cope at every stage of their child's life, and beyond. We do this by tailoring a package of services based on the needs of the family and their child.

Our care and support package can include:

- > Emergency and end of life care
- > Short breaks in one of our three hospices
- > Pre- and post-bereavement care
- > Children, young people and sibling services
- > Outreach services (care and support provided in people's homes)

Each of our hospices are purpose built with 10 specially decorated bedrooms catering for children and young people from birth to 18 years of age. They are designed to provide a homely environment to help children enjoy their stay and make the most of every day.

Areas of the hospices include complementary therapy rooms and hydrotherapy pools and spas as well as the bedrooms and dining facilities. In addition, there are activity areas with up-to-date IT equipment and multisensory rooms for relaxation as well as enabling the children to experience noises, lights and touch.

Each hospice has a temperature controlled special bedroom where a child or young person can stay after their death so they can be cared for and visited by their family before their funeral.

Where we work

Since we opened in 1988, we have grown to become the UK's largest children's hospice charity. We provide vital care for children and families, including those who are bereaved, across Birmingham, Gloucestershire, Herefordshire, Shropshire, Staffordshire, Warwickshire and Worcestershire.

Strategic Report

Public benefit

We refer to the Charity Commission's general guidance on public benefit to ensure our activities are consistent with our aims and objectives.

We are here to provide care to life limited and life threatened children living in the communities we work in. Our hospice care is free at the point of delivery but is paid for by public money, voluntary donations including legacies, and retail profit. The following sections of this report aim to give you a snapshot of the key activities we have undertaken this year to meet our charitable objectives.

Outline of the year

This report covers what became a second full year of the Covid 19 pandemic. Acorns works with and supports an exceptionally vulnerable cohort of children and families across the West Midlands and Gloucestershire, for whom many aspects of the pandemic were especially hard. Many of the families we have the privilege of working with had decided to strictly shield their children at home throughout most of 2020 and much of 2021, enduring significant and sustained periods of isolation, as they had no choice but to cut themselves off from many of the networks of family, friends and services that they would usually have relied upon.

Our main focus of the year was therefore to restore our full care service as quickly and as fully as we could, so that we could offer as much support as possible to children and families, as their confidence started to return. To that end, there were two particularly important and, for Acorns, joyful milestones that helped define this year that we are reporting.

Firstly, in April 2021, at the very start of the period, we were able at Acorns to make the thrilling announcement that our supporters had raised the money required to secure the long term future of the Acorns Children's Hospice in Walsall. This hospice had been open every day of the pandemic and served its local community superbly. Our announcement followed the exceptional response over almost three years to our Save Acorns Black Country Hospice Appeal, first launched in the summer of 2019. Readers may recall that financial constraints three years earlier had threatened our ability to fully fund this facility and care service, and we needed to raise £2m to guarantee its long-term future. The appeal had got off to a great start and was within sight of its target when the pandemic started in March 2020. This obviously changed everything, including severely limiting or curtailing all of the fundraising events and activities that had been planned across the local community to get us to our full and final target. Thanks to the generosity of our Black Country community, voluntary donations continued to be made to the appeal throughout the pandemic, meaning we were able to announce by April 2021 that we had reached our goal. This happiest of outcomes owes itself entirely to the remarkable response from across the West Midlands and the Black Country in particular. We are thankful to the media for publicising the story so well, and especially for a succession of sensitive but inspiring stories showing how much the care delivered from our children's hospice in Walsall means to the families that use the service. This report is a further opportunity for us to thank the Express and Star newspaper, Reach plc, ITV Central and BBC Midlands Today, plus many of the region's major radio stations – all without exception played a huge support to the survival of the Walsall hospice. And we will never be able to say thank you enough to the local community in the Black Country who raised the funding we needed to secure this vital local service.

The second joyful milestone of this year we are reporting was the re-opening of residential care services at our Birmingham hospice in September 2021. Readers may remember that we had temporarily suspended these services at the start of the pandemic, offering our hospice building to the NHS, and asking our Birmingham staff to work instead at Walsall and Worcester, where

children stayed throughout the pandemic. The re-opening of Birmingham was an extremely significant and joyful day for the families that Acorns serves there. It allowed for a gradual build up of full staffing and services over the second half of the financial year and, by the end of March 2022, we were again able to respond to very high levels of demand from Birmingham families. Re-opening a hospice for its residential service sounds straightforward but is in fact a very stretching undertaking with the need to hire new colleagues in a high demand sector, and for everyone to undergo an intensive training and familiarisation programme.

As our care programme resumed its long term shape again after the unprecedented disruption from the pandemic, our Acorns colleagues who work or volunteer across the three hospices showed remarkable dedication and dexterity in adapting our responsive and ambitious care service, each time there was a positive or negative change in the Covid situation. By way of illustration, only two months after we re-opened our full service at Birmingham, we had to deal with the new Omicron variant of Covid-19, and again saw very high levels of infection for most of the winter period, a challenge that in fact continues to this day. But now we expect to be able to deliver care in any circumstances, and all our hospices have remained open and caring for children throughout the many Omicron waves.

All UK hospices have been reporting on their care service to NHS England, and we are able to see that Acorns has managed to provide by some margin the highest volume of residential stays of any children's hospice charity in the UK. We are extremely proud of that achievement, all down to remarkable courage and professionalism of our nurses and other care workers, and to the generosity and loyalty of our supporters. Behind the scenes, our central support teams of People and Culture, Finance, ICT, Data, and Facilities all of course contributed significantly to this transition over the year back to our full care service provision.

Acorns is not a charity that likes to stand still, and we also took this year to continue to identify key lessons learned from the pandemic, and how it had changed demand from children and families, as well as availability of skilled staff in the wider workforce. Much of this analysis took place through us continuing to work through the recommendations and actions from an independently led Care Review commissioned at the end of the previous year. Acorns tries to operate with a "continuous improvement" approach and mindset, and we will begin to implement the findings of the Care Review this year, with further progress anticipated in Years 2 & 3 of the strategy period.

In terms of our own planning, a reminder that at the end of the previous year, with the 2018-20 strategy "Making Every Day Count" coming to a close at the end of the first year of the COVID pandemic, Acorns had taken the view that it would be difficult to simply create a new three year strategy, starting from April 2021. The pandemic was still raging, and the country was just starting to emerge from the deep and long winter lockdown. Of the many things the pandemic taught us, one of the learnings was that making long term plans in the midst of a global crisis would not be wise. Indeed, with so much uncertainty about the public health emergency and for the economic outlook the priority was to continue to show maximum flexibility and agility in navigating a year that would obviously continue to be dominated by COVID and its effects on every aspect of life.

So we decided to implement not a three but a one year strategy, effectively a one off operational plan, a bridge between two fuller strategies. So we wrote and published what we called our 'Bridge Strategy' for 2020-21, designed to see us navigate the second year of the pandemic, delivering care but also starting to take stock and make preparations for when our colleagues, volunteers, supporters and shoppers could hopefully once again operate in more normal times ahead. Simultaneously Acorns approved a budget for 2021-22 built around an assumption that the retail and fundraising climate would remain extremely challenging, and again reflecting our expectation that all of our teams would need to operate in agile fashion through a year full of uncertainties.

In fact, thanks to the determination and hard work of our teams, and the generosity of our shoppers and supporters, both our voluntary fundraising and our retail operations had really strong years, and exceeded those initial expectations. Our teams of fundraisers focussed on raising funds from an array of individuals, groups, businesses, discreet funders such as trusts and foundations, local communities, event participants, and regular givers. We did our best at Acorns to provide outstanding supporter care, out of recognition and profound gratitude that it had been our existing supporters whose loyalty, generosity and understanding of our work had seen Acorns the Charity safely through the hazards of the pandemic. We also made sure that we warmly embraced and communicated with individuals deciding to support Acorns for the first time. We wanted to show how our families were coping during these times and making the case for support through the experiences and voices of those most directly feeling the impact of Acorns services. Weaving this complex story together is a skill that fundraisers do so well and with the longer term view always prominent, it was our priority to ensure we gave regular and compelling reasons why Acorns is so crucial to the many hundreds of children and families who depend on Acorns.

One of our greatest strengths and privileges at Acorns is that that we have a network of parents and other family members who feel so positively about the care they and their children receive from Acorns that they are happy to share their stories with an audience. Our Marketing, Communications and Care teams are able to work together to produce a remarkable series of case studies, bringing the authenticity of parents' voices and those of some of our children to the fore. We are then able to reach a wider audience thanks to our expanded digital capabilities.

Hearing directly from families of their experience during the pandemic was a very strong reason why our wonderful supporters remained so loyal to Acorns, and the quality, consistency, and strength of our messages remained relevant and fresh for our viewers, listeners and readers.

Financial review

The result for 2021-22 was a net income of £4.614 million (2020-21: £2.335 million). We achieved an operating cash surplus for the financial period of £2.816 million (2020-21: £3.961 million). Available reserves at the end of the reporting period were £7.852 million (2020-21: £8.343 million) after adding £4.000 million to a Designated Capital Projects Fund to enable future investment in our Hospice assets.

Income

The 2021-22 financial year was a good year for income as the Charity enjoyed more normal levels of activity following the pandemic.

Total income for the year was £19.398 million (2020-21: £17.683 million), a significant increase of £1.715 million.

Our incredible and loyal supporters continued to support the Charity with donation income amounting to £4.593 million (2020-21: £4.062 million).

Legacy income amounted to £3.712 million (2020-21: £1.514 million) a significant increase. The COVID-19 pandemic had an impact last year on the probate process, reducing the speed with which individual solicitors as well as the Probate Office could progress and finalise estates. Thankfully these delays are now reducing, the backlog of estates are being resolved and, as anticipated, legacy income has improved.

Statutory contract income produced £3.202 million (2020-21: £3.666 million). In addition, we recognised grant income of £0.302 million (2020-21: £2.679 million) from NHS England relating to Covid-19 support. We are very appreciative of the on-going financial support we receive from our statutory partners which include NHS England and over 20 NHS Clinical Commissioning Groups,

Our shops produced income of £5.443 million (2020-21: £2.109 million). Last year's income was clearly suppressed due to the amount of time shops were closed during the three lockdowns, amounting to over half the year. However, this should not detract from exemplary performance by the retail team that achieved a record level of income for the year.

We are extremely grateful to all those who supported our work by donating cash, donating goods or spending in our shops, leaving a bequest to the Charity during the year or volunteering.

Expenditure

Expenditure for the year totalled £15.011 million (2020-21: £15.503 million) a reduction of £0.492 million.

We maintained our spend on our fundraising activities to deliver income to provide services to our children and families. Setting shop running costs to one side, we spent 85 pence in every £1 on care services (2020-21: 85 pence).

Cashflows From Operating Activities

The Consolidated Statement of Cashflows is shown on page 43. Total cash provided by operations amounted to £2.816 million (2020-21: £3.961 million). Cash provided is less even though net income is higher as significant legacy income has been accrued but not received.

Going Concern

The Charity's financial position and performance has been outlined in the financial review above. The Trustees have assessed projected future income, expenditure and cashflows over the period to August 2023 and considered the Charity's available reserves and liquid assets as well as its ability to withstand a material decline in income. Consideration has been given to the stability, predictability and diversity of various income streams in making this assessment.

Trustees believe the Charity's financial resources and contingency planning is sufficient to ensure the continuation of the Charity as a going concern for the foreseeable future. Consequently, the financial statements have been prepared on this basis.

Available reserves policy and financial risks

Acorns available reserves policy aims to ensure the Charity has the financial capacity needed to safeguard the provision of vital services to beneficiaries from the adverse financial effects of significant unforeseeable changes in income and expenditure taking one year with another.

Acorns available reserves policy also provides financial capacity in the event unforeseen external factors lead to unavoidable and significant reductions in service levels. The Charity is a going concern and the Board of Trustees fully intends to see this continue long into the future. Should this not be possible, available reserves would assist the Charity in honouring its commitments to beneficiaries, employees, supporters and creditors as it scales back its operations.

Following the pandemic, the Board's policy target for available reserves was reassessed and set at £7.500 million ± 15 per cent. The target was calculated following an assessment of the potential risks to income, expenditure and investment values. Available reserves at year end were £7.852 million (2020-21: £8.343 million). An additional Designated Capital Projects Fund was created during the year that reflects our ambitious plans for the refurbishment and improvement of our Hospice assets over coming months. It is estimated that around £2.500m of this fund will be spent within the next twelve months.

Available reserves are calculated in accordance with Charity Commission guidance as follows:

	£'000
Total Reserves	22,381
Less	
Restricted Reserves	(992)
Designated – Intangible Fixed Assets Fund	(146)
Designated – Tangible Fixed Assets Fund	(9,209)
Designated – Investments in Associates Fund	(182)
Designated – Capital Projects Fund	(4,000)
Available Reserves	7,852

Soon after year end the Designated Capital Projects Fund was increased by a further £1.000m to £5.000m. This reflects the need to start making alternative plans for a streamlined provision for head office accommodation after the expiry of the current head office lease term.

We manage financial risks, such as income and cost fluctuation, by regularly reviewing our financial plans and income pipelines, through strong financial management, by monitoring performance rigorously and by seeking specialist advice as necessary.

Investment policy and performance

We review our investment policy annually to ensure we make effective use of cash resources that are surplus to our operational needs. Our investment policy incorporates our ethical investment statement. The Board seeks to provide income and capital growth over the long term (a period of at least ten years) and invests in the following asset classes: equity securities, fixed income securities, money-market instruments, cash deposits, and other funds managed by the appointed investment manager.

Acorns investment manager for 2021-22 was Barclays Wealth Management. We used the Barclays Charity Fund for our longer term investment as it complies with our investment policy. We granted our investment manager the power to invest our funds at their discretion within the parameters agreed with them regarding asset allocation in pursuit of agreed targets. Our ethical

investment statement excludes investment in tobacco manufacturing companies or any company whose objectives may directly conflict with ours. The investment manager uses services provided by Ethical Investment Research and Information Services (EIRIS) to produce ethical investment screening reports.

The investment manager provides written reports on fund performance and compliance with the ethical investment statement quarterly. The investment manager attends the Resources Assurance Committee twice a year to discuss performance and compliance with Trustees. The following table summarises the investment fund performance for the financial period and from the inception of the fund.

Performance Overview					
PORTFOLIO PERFORMANCE (%)					
⁶ Daily True Time Weighted	Period (4-Apr-21 to 2-Apr-22)	MTD	QTD	YTD	Since ⁴¹ Inception Annualised
Investment Portfolio Return	7.20	(0.68)	(0.68)	(2.36)	4.52
³² Blended Benchmark Return	11.14	0.47	0.47	(0.27)	4.98
¹² Excess Return	(3.94)	(1.15)	(1.15)	(2.09)	(0.46)
¹³ Reference Market Indices Returns					
Barclays Capital Global Aggregate (GBPH)	(4.37)	(0.18)	(0.18)	(5.21)	(1.71)
MSCI AC WORLD - NET RETURN (£)	12.00	0.61	0.61	(2.05)	11.48
FTSE 100 - TOT RETURN IND (£)	15.99	0.30	0.30	3.18	3.96
Bank of England Base Rate	0.19			0.11	0.17

Due to the uncertainty created by the Covid-19 pandemic, Trustees protected the Charity cash balances against counterparty risk by placing funds with Blackrock Money Market Fund and Royal London Money Market Fund. As we emerged from the pandemic during the year Trustees reassessed risks. Consequently £1.000m was transferred from Royal London Money Market Fund (£2.999million (2020-21: £4.011 million)) to Barclays Charity Fund £3.803 million (2020-21: £2.564 million) whilst the balance in the Blackrock Money Market Fund remained unchanged at £0.750 million (2020-21: £0.750 million).

The Barclays Charity Investment Fund is a long term investment, in excess of ten years, for a moderate risk appetite. The Fund performance was 7.20% (2021: 25.34%) whilst the Blended Benchmark return was 11.14% (2021: 26.78%) an underperformance against the Blended Benchmark of 3.94% (2021: 1.44%). Whilst the Blended Benchmark is an appropriate comparator, it does carry a higher proportion of commodities (oil, gas, wheat etc.) than the Fund. These commodities have experienced significant returns which reflects in the higher Blended Benchmark performance compared to the Fund.

Performance Monitoring

As last year, due to the nature of the Covid-19 pandemic, Acorns continued to monitor performance against a special set of KPIs specifically for our emergency response. This allowed Trustees to monitor data and insights as to how the crisis was impacting on each of our service and business areas, and on our people. Due to both an unprecedented and constantly changing situation, there were neither fixed targets set in advance, nor comparisons with previous years.

As we emerge from the pandemic, we are now ready to transition away from our short term Bridge Strategy, towards a longer term plan for the Charity. Consequently, we have developed a new three year strategy. The strategy has the title, "For Any Child" and will run from April 2022 to March 2025.

Over the next three years we have set six strategic goals:

1. A responsive, inclusive and quality care service;
2. More care partnerships reaching more families;
3. Acorns recognised as a great place to work and volunteer;
4. Engaging our diverse audiences;
5. Investing sustainably in care; and,
6. Excellence as a charity.

Next year we will report on how well we are progressing against those goals. In addition, we will publish our performance against the following goal aligned KPIs.

Goal	KPI	Target
1. A responsive, inclusive and quality care service.	<i>Net change in children registered.</i>	<i>At least 120 referrals in the year.</i>
	<i>Hospice utilisation across Acorns.</i>	<i>6,048 day or night stays per year.</i>
	<i>% of Family Plan reviews in date (1 year).</i>	<i>95% of registered families</i>
2. More care partnerships reaching more families.	<i>Number of commissioned bed stays.</i>	<i>864 day or night stays per year.</i>
3. Acorns recognised as a great place to work and volunteer.	<i>Clinical Establishment vacancy rate.</i>	<i>4%.</i>
	<i>ENPS score across Acorns</i>	<i>14%.</i>
4. Engaging our diverse audiences.	<i>Number of contactable supporters.</i>	<i>21,000.</i>
	<i>Media reach</i>	<i>750m 'reach' per quarter.</i>

Goal	KPI	Target
5. Investing sustainably in care.	<i>Overall Trust performance v budget.</i>	<i>Balanced budget.</i>
	<i>Net voluntary fundraising contribution excluding legacies.</i>	<i>£2.98m.</i>
	<i>Net retail contribution.</i>	<i>£1.45m.</i>
6. Excellence as a charity.	<i>Mandatory training.</i>	<i>95%.</i>
	<i>UNICEF Award.</i>	<i>Gold award during 2022/23.</i>

Our plans

As explained earlier in this report, Trustees can look back with some satisfaction at our decision prior to the start of the year not to have to set a new long term strategy, given the continuing intense unpredictability caused by the pandemic. The one year "Bridge Strategy" served us well, shaping how our care service and indeed our Charity would start to emerge from the worst of the Covid-19 crisis from April 2021 onwards.

While we will doubtless see twists and turns in the future, and will live with different impacts of the pandemic for many years, Trustees were confident enough by April 2022 that the worst was behind us to approve and publish a new three year strategy.

We will also continue to develop the areas we focused on in the Bridge Strategy as we embed and enhance our wellbeing approach, hone our communications, continue to build our leadership culture and seek improvements to our processes, systems and ways of working. We will try to work at all times with the same determination, creativity and flexibility that our team showed during the pandemic.

Trustees will continue to hold the Chief Executive and Directors to account through Board and Board Committee meetings, tracking performance via a carefully selected set of key performance indicators. They will review our detailed and comprehensive Strategic Risk Register at least twice a year, at both Committee and full Board meetings.

Our administrative details

Charity number: 700859.

Company number: 2036103.

Registered Office: Drakes Court, Alcester Road, Wythall, Birmingham, B47 6JR.

Our Advisors

Auditor: RSM UK Audit LLP, St Philips Point, Temple Row, Birmingham, B2 5AF.

Bankers: Barclays Bank PLC; One Snowhill, Snow Hill Queensway, Birmingham, B4 6GN.

Solicitors: Gateley PLC, One Eleven, Edmund Street, Birmingham, B3 2HJ.

Investment Managers: Barclays Wealth Management, One Snowhill, Snow Hill Queensway, Birmingham, B4 6GN.

Our Key People

Board of Trustees

The Charity is governed by the Board of Trustees. Trustee biographies are available on our website. The following Trustees served during all or part of the year:

Name	Role(s)	Changes
M T Hopton	Chairman, Board of Trustees Chairman, Chairs Committee	-
J McCarthy	Vice Chairman, Board of Trustees Chairman, Board Development Committee	-
G Ahmad	Trustee	
Prof T Barrett	Chairman, Care Assurance Committee	-
L Bull	Trustee	Appointed 11 May 2021
A David	Chairman, Resources Assurance Committee	-
P Dison	Chairman, Retail Assurance Committee Chairman, Acorns Children's Hospice Trading Ltd	-
J Eminson	Trustee	Retired 1 May 2021
B M Jones	Trustee	-
J Ladbrooke	Trustee	-
R Leonhardt	Trustee	-
K McNamara- Goodger	Trustee	-
G Muth	Trustee	-
P Riley	Chairman, Fundraising, Marketing & Comms Assurance Committee	-
C Sallnow	Trustee	-
C Turner-Collis	Trustee	Retired 13 July 2021
A S Ubhi	Trustee	-
B Waris	Trustee	-

Indemnity insurance is in place for all Trustees and Executive Directors.

Key Managers

Membership of the Directors' Team during the year was as follows:

Name	Role	Changes
T Porter	Chief Executive	-
E Aspinall	Director of Care	-
M Bullock	Director of People & Culture	-
N Cramer	Director of Supporter Engagement	-
S Lorking	Chief Financial Officer	1 October 2021
S Lorking	Company Secretary	4 November 2021
S Westcott	Acting Director of Finance	Ceased 1 October 2021
S Westcott	Company Secretary	Ceased 4 November 2021

Structure, Governance and Management

Acorns was incorporated on 10 July 1986 as a company limited by guarantee. It is a registered charity. The appointed directors of the company (our Trustees) also fulfil the role of company owners (our Members) during their tenure as a Trustee. Our Members are not shareholders because the Trust is a company limited by guarantee with the liability of Members limited to £1.

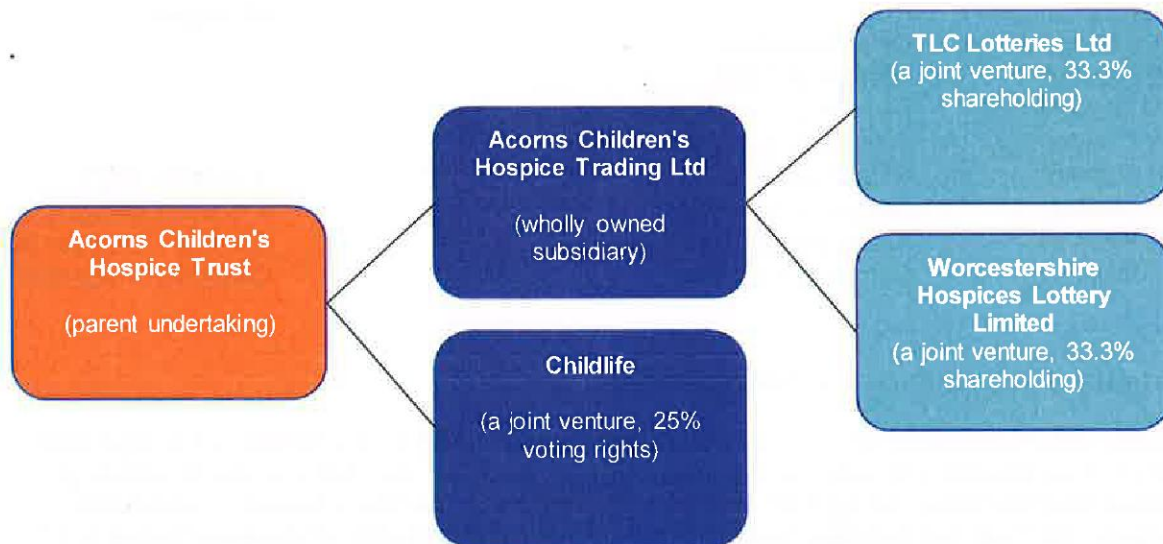
An individual Member cannot acquire a controlling interest (more than 25 per cent of voting rights) as an owner of the Trust because the Trust's Articles of Association (dated 13 February 2020) provide for a minimum of 12 Members and give each Member an equal voting right. Matters that must be referred by the Trustees (directors) to the Members (owners) for decision are limited, the main ones being changes to the Articles of Association and the appointment of a new auditor.

The Board of Trustees is accountable for governance, strategic direction and financial reporting. The Chief Executive together with his Directors' Team supports the Board of Trustees with these tasks. The Board has established a comprehensive governance framework through which Trustees discharge their collective and personal responsibilities for controlling and managing the organisation. The Board continually reviews Acorns governance framework over a three year cycle.

Our Group Structure

The Acorns group comprises the Trust, its wholly owned trading subsidiary and three joint ventures (JVs). The Trust produces consolidated or group accounts that include the results of all five entities. The following structure chart shows the relationships between the entities within the group:

Acorns Group Structure



Acorns Children's Hospice Trading Limited

The trading company is the Charity's wholly owned trading subsidiary. Its purpose is to generate income to support the Charity's objectives by selling new goods at a profit in the Trust's network of shops, which are located across the heart of England. The trading company acts as the Trust's agent for an HMRC approved Gift Aid scheme for donated goods. It transfers its profits to the Charity using the HMRC Gift Aid scheme for corporate donations. Its financial statements are consolidated into those of the Charity. Its results are set out in note 3 to the financial statements (page 52). In addition to these activities, the Board of the Trading Company also reviews the activities of the two joint venture lotteries.

Joint Ventures

Acorns is equal part-owner with other charities of three joint ventures whose purpose is to generate income. The details are as follows:

- > **TLC Lotteries Limited** is a joint venture with Focus Birmingham and The Hospice Charity Partnership.
- > **Worcestershire Hospices Lottery Limited** is a joint venture with St Richard's Hospice and Primrose Hospice.
- > **Childlife** is a joint venture with the National Deaf Children's Society, the National Children's Bureau and Ataxia UK. It is a company limited by guarantee and its principal activities are payroll giving and face to face fundraising.

The Board of Trustees

The Board of Trustees has established a robust governance framework and keeps it under continuous review. Acorns governance framework applies, where appropriate, the Code for the Voluntary and Community Sector which is endorsed by the Charity Commission and with other best practice guidelines.

The Board has agreed a schedule of matters reserved for its decision which includes approval of strategy, vision, mission, goals and the annual plans and budgets for achieving its objectives.

The Board formally assigns responsibility for the overall management of the Charity's day to day activities and resources to the Chief Executive through a scheme of delegation. The Chief Executive is assisted by Executive Directors, other employees and volunteers. The Board also supports the Chief Executive with advice and guidance on an on going basis.

The Board has a Trustee Recruitment & Retention Policy to ensure it has the diverse range of skills, experience and knowledge needed to run the Charity effectively and that Trustees receive the induction and training they need to discharge their duties. The Chairman oversees the Trustee recruitment process in consultation with the Board Development Committee. Each recruitment campaign is designed with the Charity's needs and the pool of potential candidates in mind. New Trustees complete a structured induction programme including one to one meetings with the Chief Executive and Executive Directors and visits to Acorns hospices and shops. Every Board meeting includes an element of training for Trustees. Trustees also attend conferences and seminars relevant to their responsibilities.

Trustees are elected for terms of three years at a time. Expectation of tenure when joining the Board is for a minimum of 2 terms and no more than 3 terms. The Chairman's period of office is limited to six consecutive years. The Board of Trustees conducts regular skills audits and manages succession plans closely to ensure the continuity and effectiveness of the Charity's governance arrangements.

Trustees who served during the financial period are shown on page 17, as well as appointments and retirements during the financial and post balance sheet periods.

Our Trustees together have the broad range of skills and expertise needed to govern the Charity effectively. Some of our Trustees have personal experience of the impact of having a child with palliative care needs. A biography of each of our Trustees is available on our website.

Acorns Board of Trustees meet six times during the financial period. None of the Trustees are remunerated.

Assurance Committees

All Trustees serve on one or more of the Board's Assurance Committees. Any Trustee may attend any Assurance Committee meeting. There were exceptionally high levels of attendance at all Assurance Committees over the financial period, with Trustees joining both in person and remotely.

The specific responsibilities delegated by the Board of Trustees to the Committees were formally unchanged by the pandemic, but the situation led to closer than usual Trustee oversight and contact with the Executive Team. Throughout the year, Assurance Committee members provided close advice, support, expertise and challenge to the Chief Executive and Executive Directors' Team. A summary of each Assurance Committee's terms of reference is set out over:

Assurance Committee	Key Accountabilities
Board Development	<ul style="list-style-type: none"> > Maintaining Acorns Governance Framework. > Advising on the appointment of new Trustees. > Advising on Board Committee membership. > Advising on Trustee induction and training.
Care	<ul style="list-style-type: none"> > Overseeing and scrutinising care activities and staffing. > Reviewing any clinical incidents or complaints. > Overseeing the Care Review project
Fundraising, Marketing & Communications	<ul style="list-style-type: none"> > Monitoring fundraising, marketing and communications strategy, outputs and performance. > Scrutinising and where necessary challenging future income assumptions and forecasts
Chairs	<ul style="list-style-type: none"> > Overseeing strategic risk management. > Advising on remuneration issues. > Co-ordinating development and review of strategy.
Resources	<ul style="list-style-type: none"> > Reviewing all aspects of financial management. > Overseeing investment fund performance. > Reviewing the draft annual report and accounts. > Scrutinising human resource (employee & volunteer) activities. > Scrutinising learning & development activities. > Overseeing the implementation of Acorns digital strategy. > Monitoring GDPR compliance. > Overseeing the development of asset management plans.
Retail	<ul style="list-style-type: none"> > Scrutinising all retail activities relating to the sale of donated goods. > Monitoring Acorns Children's Hospice Trading Limited.

Employment policies

We need to attract and retain a diverse, skilled and experienced workforce across a range of functions and at all levels in the organisation to achieve our ambitions for children and their families.

Acorns recognises the value of having a diverse workforce and provides equal opportunities to job applicants and employees of any race, nationality, ethnic origin, marital status, religion or belief, gender, disability, sexual orientation, age or employment status.

We do not tolerate any form of discrimination in our recruitment or employment practices. All employees and applicants are treated fairly, with respect, are treated as individuals and valued for the contribution they make. Employees have fair access to training, development, reward and progression opportunities and are accountable for the impact of their own actions. All the Charity's policies follow these principles.

Our employees and volunteers received regular communication throughout the year from the Chairman and Chief Executive about the Charity's progress. They were also consulted on decisions affecting them. We survey employees and volunteers regularly, monitoring trends and responding proactively to the feedback received, both at team management and senior leadership level.

Equality & Inclusion

Acorns has won national awards for promoting diversity by ensuring its services are sensitive to various cultural and religious needs of its children and their families.

We have established a positive working environment for all our employees and volunteers. We comply with the relevant legislation on equality and inclusion, such as the Human Rights Act 1988 and the Equality Act 2010 and the Public Sector Equality Duty 2011 it gave rise to. Our equality objectives are to:

- > promote a positive attitude towards equality and inclusion in the workplace;
- > provide education, training and professional development for Acorns workforce;
- > monitor the impact of diversity and equality policies and practices; and,
- > provide advice and guidance across Acorns.

In terms of employment, Acorns gives full and fair consideration to applications for employment from disabled persons. We support the ongoing training and development of persons disabled prior to appointment or who become disabled following appointment. We also ensure disabled employees have fair access to support with career progression and promotion.

Pay policies

Acorns is committed to paying our employees a fair salary that is:

- > competitive within the charity sector yet affordable;
- > proportionate to the complexity of each role; and,
- > consistent with the need to make best use of supporters' donations and public money.

We ensure that every employee receives a salary that is at least equivalent to the National Minimum Wage applicable to them. We do not operate a bonus scheme for any of our employees or volunteers. Details of our salary and pension costs can be found in note 7 to the financial statements (page 55 refers). Information regarding the number of employees with salaries over £60,000 is available in note 8 to the financial statements (page 56 refers). We are an equal pay employer. Please see our website for details of our gender pay ratios.

The Board of Trustees is responsible for defining Acorns pay policy for its key managers (the Chief Executive and the Executive Directors) and agreeing any annual pay award. The Board delegates this responsibility to the Chairs Committee which comprises the Chairman of the Board of Trustees and the Chairman of each Assurance Committee. The Chairs Committee meets with the Chief Executive and the Executive Director of People and Culture to review and recommend changes to other key managers' pay. The CEO and Executive Director of People and Culture are not present at the meeting when their own pay and performance is discussed.

Our Volunteers

Acorns relies on almost 1,000 dedicated and skilled volunteers who regularly give their time and talents and do so much to help look after an increasing number of children and families.

Most charities rely on volunteers, but few can say, as we can, that every one of our activities - from running care services to supporting families, from fundraising to shops - has the help of volunteers. Depending on their role, volunteers are recruited subject to a satisfactory enhanced disclosure from the Disclosure and Barring Service (DBS). However, we do not require a DBS disclosure for our shop volunteers.

Our Supporters

As has been stated by our Chairman in his introduction to this report, we will always be exceptionally grateful to all of you who have supported Acorns so steadfastly and generously throughout the pandemic. We literally would not be here without you. Thanks to the significant support we have received over the past year, our financial performance has been strong. We are therefore able to plan with confidence on how we can reach more children and deliver more care in the future.

From an income generating perspective, the year happily ended up being more positive for Acorns than we had anticipated as we prepared for the second year of the pandemic. One of the main reasons for this was because there was no repeat of the disruption to our Charity shops, which are so important to our ability to raise the funds we need for our hospices. They actually re-opened after the long winter lockdown on the second day of the financial year being reported, and never closed. Our shops actually had an exceptional year, the result perhaps not just of lockdown "clear-outs" leading to more donations, but also perhaps a greater appeal of pre loved clothes, as UK consumers became more aware of the negative environmental impacts of fast fashion.

On the fundraising side, results also exceeded our expectations. Charitable donations are extremely sensitive to wider economic trends, and we were worried last year would be very tough for fundraising. Unsurprisingly, our income from community fundraising partnerships with local schools and events like fun runs remained significantly below long term levels, given the type of restrictions in place for much of the year.

But we had assumed that the negative economic impacts of the pandemic might be felt on a more widespread basis, with risks of a potential hard landing on employment prospects and business health of the tapering and winding down of government support measures such as furlough and other reliefs. In fact, our overall fundraising income remained high, with so many of the trusts, foundations, companies, and individuals who have supported Acorns so well in the

past choosing to do so again. Your loyalty and continuing generosity has been a constant inspiration to us, and has given us increasing confidence about the future.

It should be recognised that while last year seemed to be a strong one for the economic recovery, it is already clear writing this report that the severe economic downturn and cost of living crunch has been deferred into the current year and perhaps beyond, rather than averted. We must combine ambition with caution about the next few years.

As we did in our care service, we also worked hard throughout 2021-22 on consolidating, rebuilding, and planning our future operational and income generation capabilities for when 'normal' times returned. This proved to be the right approach strategically and tactically. Our teams worked immensely hard to reconfigure Acorns to be even more resilient in future and to apply learnings from our supporter responses pre-pandemic.

Our reflections on why the year was strong suggest that we are still seeing the benefits from when the profile of the Charity in the period between 2019 and 2020 became elevated due to our Save Acorns Black Country Hospice Appeal. We feel that this publicity shone a light on the incredible children and families that we work with at Acorns, which in turn motivated the local community to want to support these children and families through the pandemic.

The relationships we formed in the two subsequent years helped us to achieve some key communications goals. The primary goal was to educate our public that our children's hospice charity needs to raise 60% of our operating costs each year from voluntary donations, gifts in wills, and retail shoppers. Put another way, at the start of each year Acorns could reasonably expect to receive funding from the NHS to cover the first four months of the financial year, but from August onwards we need public support to meet our obligations to children and families. Whichever way the message was received, our supporters showed they understood the financial picture really clearly.

Another reason why 2021-22 was strong in income generation terms was the focus we gave to supporter care, additional backing for our retail teams, and the prioritisation of our capability to communicate with our critical funders in ways that met their needs. Acorns has always been incredibly grateful to our supporters, though we also know that modernising our practices and treasuring our donors would help us to form more enduring and reciprocal long term relationships. This proved to be the right approach and whilst we will always strive for ever better supporter care, we know we have started on an irreversible path to set new standards of respect and appreciation for those who have supported Acorns through the most testing of times including this year.

Our planned move towards more digital activity via social media, through our website, online platforms, and with content creation (film and video) we have communicated the work of the Charity in new, engaging ways for our audiences. Hearing the voices of our children and families has brought insights about the impact Acorns can have on those who are vulnerable.

Risk Assessment

The Acorns Board of Trustees is responsible for ensuring Acorns risk management framework is comprehensive, and that that emerging, new and changing risks or opportunities are identified and responded to promptly.

The Board of Trustees reviews and updates Acorns risk management framework annually, and monitors the strategic risk register at least twice a year. Over the two years of the pandemic, due to the heightened risk environment, Trustees reviewed the risk register at Committee level once a quarter. In March 2022, we reviewed our Strategic Risk register in more depth than usual, making some minor changes to ensure it remained relevant and appropriate for our new three year strategy.

Our strategic risk register will continue to be structured around eight strategic risk families, which reflects the size and sophistication of our Charity, and also lends itself well to our Committee structure, with different Committees taking a lead for different risks.

Our eight strategic risk families are as follows:

- > Care services delivery;
- > Clinical incident;
- > Safeguarding;
- > Governance & compliance;
- > Workforce;
- > Income & reputation;
- > Financial loss; and,
- > Major incident.

Within each risk family, risks are tracked, and new risks identified, within directorates on a quarterly basis. The updated sections are included on the overall strategic risk register, and personally reviewed and updated by the Chief Executive before being shared with Committee members. Acorns prioritises its risks according to their impact and likelihood and then designs and delivers appropriate controls and mitigating actions.

Obviously, the 2021-22 year remained highly unusual from a Risk Management perspective. What effectively happened was that a global pandemic, one of many possible but hitherto highly unlikely scenarios before 2020, came not only to materialise but to completely dominate all aspects of the Charity's service, income generation, management and Governance. This remained the case in 2021-22, though there was a gradual process of normalisation as the pandemic's second year developed. We continued to monitor all of the other risks throughout the year, with the full Risk Register being reviewed at two Trustee Meetings, and the Risk Appetite and any changes within the Risk Families being regularly reviewed by the relevant Assurance Committees.

The Board of Acorns is satisfied the Charity's risk management framework continues to be both comprehensive and appropriate and the Chief Executive has put effective systems in place to control risk. The Directors' team reviews the risk register at least twice a year and updates the Board of Trustees using a dashboard report. The Board's assurance committees will continue to review the relevant parts of the strategic risk register at least twice a year. The Chairs Committee will continue to review the entire register in depth at least twice a year, before sharing reflections and recommendations to the full Board.

As at April 2022, there was only one risk family where post mitigation risk score exceeds the Board's stated risk tolerance level and is summarised in the following table:

Risk Family	Risk Appetite	Risk Assessment	Risk Trajectory	Explanation
Care services delivery – maintaining our reputation for outstanding quality care services.	Low	Medium	Improving	This risk family ended the year only fractionally above the tolerance level. This reflected a recognition from Trustees that after the second full year of the pandemic, and despite the incredible efforts of our teams, we were still delivering a volume of service below our long-term aspiration, not always able to offer families stays at the times they wanted to, or sometimes cancelling stays, during periods of high Covid absence for example.

Working with our stakeholders: s172 statement

Companies are required to include a statement in their strategic report on how directors have complied with their duty to have regard to matters in section 172 (1) (a)-(f) of the Companies Act 2006 ('the Act'). As per the Charities SORP Information Sheet 3: The Companies (Miscellaneous Reporting) Regulations 2018 and UK Company Charities, the duty of the Trustee of a charitable company under this subsection of the Act is to act in the way they consider would be most likely to achieve its charitable purpose and in doing so have regard (among other matters) to the:

- a) likely consequences of any decision in the long term;
- b) interests of the employees;
- c) the need to foster the company's business relationships with suppliers, customers and others;
- d) impact of the company's operations on the community and the environment;
- e) the desirability of the company maintaining a reputation for high standards of business conduct; and,
- f) the need to act fairly as between members of the company.

We listen to and engage effectively with our wide variety of stakeholders on whom the future success of Acorns depends, including service users, supporters, employees, volunteers and suppliers, to ensure responsible decisions are made. This helps us ensure that any decisions are sustainable in the long term and do not disproportionately affect any single stakeholder group.

The Board regards the following to be the two key decisions and considerations it has made during the year.

Significant event/ decision	S172 matter affected	Action and impact
<p>The Board carefully monitored the impact of Covid-19 on Acorns services and on its financial standing as a charity.</p>	<p>Possible consequence of the pandemic on the Charity's financial standing, and therefore on long-term ability to provide children's hospice care in the West Midlands.</p>	<p>The Board collectively, and senior Trustees individually, have been kept regularly updated on the many key decisions and developments impacting on the Charity throughout the financial period. The judgements we have made about income and expenditure levels have been judicious ones, and consistently taken in the long-term interest of the Trust. Consequently, the outlook for the trust feels secure despite the pandemic.</p>
<p>The Board has begun implementing the recommendations of the Strategic Review of our care services undertaken in the prior year.</p>	<p>Children and their families, staff, volunteers, supporters and Commissioners.</p>	<p>When considering the implementation of recommendations made, the Board considered the long term impact on those who use our services, and on our workforce.</p>

In the table below, we set out in more detail how we have engaged with our key stakeholders and the impact of the engagement.

Stakeholder group and why they are important to our success	Their requirements	How we engage	Key highlights of 2021-22 showing impact of the engagement
<p>Children that use our services and their families</p>	<p>A specialised children's hospice service that reflects what is important to them.</p> <p>High-quality and safe services.</p>	<p>We carried out electronic surveys on Acorns iPad or by offering a QR code for the following service areas:</p> <ul style="list-style-type: none"> • Young person Survey; • Family Experience- which includes specialist services such as physiotherapy, hydrotherapy, and Stay and Play; • Family Experience- which captures a family's experience at one of our three hospices and groups attended; • Clinical Outreach survey; and, • Bereaved parents group survey. <p>We additionally maintain an active group of Young Ambassadors and Parent Carer Champions and have ongoing opportunities to engage families through the one-to-one work, events and groups we provide.</p>	<p>This was the second year of the pandemic when our services were being gradually re-introduced to families that had been shielding. We have been pleased the response we have had from our service users has been so positive.</p> <p>Young Ambassadors and Parent Carer Champions met on 5 occasions and were very active on the Charity's media and social media channels.</p> <p>We continued to seek direct feedback from families with family team workers making routine "wellbeing calls" through the year.</p> <p>We responded to direct feedback from families via Acorns social media channels.</p> <p>During the year we launched a pilot for reviewing outcomes and the impact of our service with families. Families will, on an annual basis, rate the impact of our services on their physical and emotional well being.</p> <p>Following the Board approval of the Service User Engagement Strategy an action plan has been developed and implemented.</p>

Stakeholder group and why they are important to our success	Their requirements	How we engage	Key highlights of 2021-22 showing impact of the engagement
<p>Our people</p> <p>Our services are delivered through our experienced and dedicated workforce.</p>	<p>Opportunities for development and progression.</p> <p>Fair and transparent pay and reward structures.</p> <p>Opportunities to share ideas and make a difference.</p> <p>Respect for their diversity and an inclusive workplace where all are treated fairly.</p>	<p>We engage regularly, virtually, by email, our intranet and live and recorded video updates from senior management.</p> <p>People engagement is measured through regular staff surveys. In 2021, we continued to utilise an online real time engagement tool (Winningtemp) through which we measure how employees are feeling every 2 weeks. This has transformed the data and insights we hold on employee wellbeing and feelings about their work.</p>	<p>The workforce have engaged with the new approach to regular temperature checks and the responses from this have shaped how our people strategy has been developed, driving a greater focus on the development of wellbeing, a cohesive leadership culture and on opportunities to grow and progress.</p> <p>The engagement tool allows the organisation to measure Employee Net Promoter Score (ENPS) which is a universally accepted measure of employee satisfaction and currently Acorns is rated in line with similar organisations.</p> <p>Acorns completed two gender pay gap reports during the year and the gap continues to be on a downward trajectory.</p>
<p>Our Supporters and Volunteers</p> <p>We can only achieve our strategic vision with the generous contributions of our supporters and volunteers.</p>	<p>We have a strong sense of duty to deliver the most impact we can from the time and money they so generously give.</p>	<p>We have communicated regularly through the pandemic with our supporters according to their preferences, email, phone, website and through media and social media activity.</p> <p>We have 45 shops where we engage with supporters who donate and buy goods.</p>	<p>The Charity's activities have been regularly profiled in the local and regional media.</p> <p>We raised £8.305 million of income in donations and legacies.</p> <p>We have seen our volunteer numbers and hours start to increase post pandemic.</p> <p>Our shops continued to trade well.</p>

Stakeholder group and why they are important to our success	Their requirements	How we engage	Key highlights of 2021-22 showing impact of the engagement
<p>NHS</p> <p>We could not do what we do without our partnership with the NHS, nationally and locally, via CCGs and hospitals.</p>	<p>NHSE fulfils its statutory obligation to provide palliative and end of life care to children and support to families.</p> <p>Acorns delivers on our contractual obligations.</p> <p>We provide safe and high-quality care, and report transparently on what we have delivered and on any challenges we may face.</p>	<p>We have a dedicated Statutory Partnerships manager to manage our NHSE engagement.</p> <p>Our CEO is a Trustee of Together for Short Lives, and the Children's Hospice representative on the Hospice UK Advisory Council. In addition, he is a member of NHSE's National Children and Young People's Palliative and End of Life Care Governance Group.</p> <p>We have worked closely with our NHS partners. Our collaboration with the Palliative Care team at Birmingham Women and Children's Hospital continues to be particularly impactful.</p>	<p>We receive important contributions to our care costs from both NHS England and local NHS commissioning groups. We report on these regularly.</p> <p>As a children's hospice, we are regulated by the CQC. There were no inspections in 2021-22 as a result of Covid-19 restrictions, but we expect these to resume in 2022-23.</p> <p>The most recent inspections at Worcester, Walsall and Birmingham have given us an overall rating of "Good", "Good" and "Outstanding" respectively.</p>

Streamlined Energy and Carbon Reporting

During the financial year, Acorns continued its commitment to improving energy efficiency and reducing its carbon footprint.

Co-locating all employees on the ground floor of Drakes Court was completed. LED lighting continued being rolled out across the shop estate with 32 out of 45 shops converted by the end of the year. The remaining shops will be converted as they are refurbished in the new year.

Photovoltaic panels are in place at Worcester and Walsall Hospices to produce electricity and are in daily use.

A significant refurbishment of our hospice in the Black Country is planned for the new year, which makes provision for improved energy efficiency.

Methodology

The three hospices and Drakes Court all use electricity and gas for heat, light and power. The 45 shops use electricity for heat, light and power. The kWh usage was calculated from invoices for energy used during the financial year.

During the year there was little travel by staff in their own cars. Nor was there any significant rail travel and there was no air travel. Consequently, these are not disclosed as they are deemed to be immaterial.

The UK Government Green House Gas Conversion Factors for Company Reporting 2021 have been used to provide the required conversion rates.

Emission Statistics

	2022	2021
Energy consumption used to calculate emissions (kWh)	2,634,880	2,332,053
Emissions from purchased electricity (kgCO ₂ e)	230,819	180,748
Emissions from the combustion of gas (kgCO ₂ e)	285,384	287,383
Total gross emissions	516,203	468,131
Intensity ratio (total kgCO ₂ e per FTE employee)	1,450	1,203

Fundraising

Our fundraising is managed by an experienced team of dedicated employees. We are registered with the Fundraising Regulator (<https://www.fundraisingregulator.org.uk>) and are signed up to the Fundraising Code of Practice.

Our Fundraising Promise is published at the following web address and our fundraising complaints procedure is available upon request. There were no complaints received during the year. <https://www.acorns.org.uk/our-fundraising-promise/>

Trustees' responsibilities in relation to the financial statements

The Charity Trustees are responsible for preparing the Trustees' Report and the incorporated Strategic Report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice, UKGAAP).

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

- > select suitable accounting policies and apply them consistently;
- > observe the methods and principles in the Charities Statement of Recommended Practice (SORP) on financial reporting;
- > make judgements and estimates that are reasonable and prudent;
- > state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and,
- > prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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.

Disclosure of information to auditors

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

The Trustees' Report and the incorporated Strategic Report are approved and signed on behalf of the Board of Trustees.

**Mark Hopton****Chairman of Acorns Board of Trustees****9 August 2022**

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ACORNS CHILDREN'S HOSPICE TRUST

Opinion

We have audited the financial statements of Acorns Children's Hospice Trust (the 'parent charitable company') and its subsidiary (the 'group') for the financial period ended 2 April 2022 which comprise the Consolidated Statement of Financial Activities, the Consolidated Income and Expenditure Account, the Consolidated and Charity Statements of Financial Position, the Consolidated and Charity Statements of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 2 April 2022 and of the group's incoming resources and application of resources, including its income and expenditure, for the financial period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the

audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept 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 on page 32, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or 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

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

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

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

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

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

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

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

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Charities SORP (FRS 102), Companies Act 2006, Charities Act 2011, the parent charitable company's governing document, tax legislation and Charities (Protection and Social Investment) Act 2016. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing the financial statements including the Trustees' Report, remaining alert to new or unusual transactions which may not be in accordance with the governing documents, inspecting correspondence with local tax authorities and evaluating advice received from internal/external advisors.

The most significant laws and regulations that have an indirect impact on the financial statements are those in relation to Safeguarding, GDPR and CQC Regulations. We performed audit procedures to inquire of management and those charged with governance whether the group is in compliance with these law and regulations and inspected correspondence with regulatory authorities.

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

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

Use of our report

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

RSM UK Audit LLP

KEITH WARD (Senior Statutory Auditor)

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

Chartered Accountants

St Philips Point

Temple Row

Birmingham

B2 5AF

Date 11 / 8 / 2022

Consolidated statement of financial activities

4 April 2021 to 2 April 2022

	Note	Unrestricted funds £000	Unrestricted Funds - Shops £000	Restricted Funds £000	Total Funds 2022 £000
Income from					
<i>Donations and legacies</i>					
Donations		2,846	-	1,747	4,593
Legacies		3,252	-	460	3,712
<i>Charitable activities</i>					
NHS England Children's Hospice Grant		-	-	1,435	1,435
NHS England Covid-19 Support Grants		-	-	302	302
Job retention Covid-19 Support		2	20	-	22
Kick-Starters Job Support		116	167	-	283
Contract income		3,202	-	-	3,202
Training income		7	-	-	7
<i>Other trading activities</i>					
Sale of donated and bought-in goods		-	5,443	-	5,443
Covid-19 Business Support Grants		-	2	-	2
Events		124	-	-	124
<i>Investments</i>					
Dividends		16	-	-	16
Interest	5	1	-	-	1
Share of JVs' net profit		229	-	-	229
Other income		27	-	-	27
Total income		9,822	5,632	3,944	19,398
Expenditure on					
<i>Raising funds</i>					
Fundraising	4	1,608	-	-	1,608
Trading costs		-	3,745	-	3,745
Events costs	4	91	-	-	91
<i>Charitable activities</i>					
Residential care services	4	4,432	-	3,052	7,484
Community care services	4	1,915	-	166	2,083
Total expenditure		8,046	3,745	3,220	15,011
Net income before net gains on investments		1,776	1,867	724	4,387
Net gains on investments	12	227	-	-	227
Net income	9	2,003	1,867	724	4,614
Gross transfers between funds	19	1,887	(1,867)	-	-
Net movement in funds		3,890	-	724	4,614
<i>Reconciliation of funds</i>					
Total funds brought forward		17,499	-	268	17,767
Total funds carried forward	19	21,389	-	992	22,381

The above results are derived from continuing operations. All gains and losses are included above. A detailed comparative consolidated statement of financial activities is set out on page 39.

Comparative consolidated statement of financial activities

29 March 2020 to 3 April 2021

	Note	Unrestricted funds £000	Unrestricted Funds - Shops £000	Restricted Funds £000	Total Funds 2021 £000
Income from					
<i>Donations and legacies</i>					
Donations		2,897	-	1,175	4,062
Legacies		1,378	-	136	1,514
<i>Charitable activities</i>					
NHS England Children's Hospice Grant		-	-	1,393	1,393
NHS England Covid-19 Support Grants		-	-	2,679	2,679
Job retention Covid-19 Support		341	721	-	1,062
Contract income		3,666	-	-	3,666
Training income		3	-	-	3
<i>Other trading activities</i>					
Sale of donated and bought-in goods		-	2,109	-	2,109
Covid-19 Business Support Grants		-	746	-	746
Events		102	-	-	102
<i>Investments</i>					
Dividends		11	-	-	11
Interest	5	1	-	-	1
Share of JVs' net profit		297	-	-	297
Other income		38	-	-	38
Total income		8,724	3,576	5,383	17,683
Expenditure on					
<i>Raising funds</i>					
Fundraising	4	1,508	-	-	1,508
Trading costs		-	4,796	-	4,796
Events costs	4	106	-	-	106
<i>Charitable activities</i>					
Residential care services	4	2,115	-	5,208	7,323
Community care services	4	1,635	-	135	1,770
Total expenditure		5,364	4,796	5,343	15,503
Net income before net gains on investments		3,360	(1,220)	40	2,180
Net gains on investments		155	-	-	155
Net income	9	3,515	(1,220)	40	2,335
Gross transfers between funds	19	(1,220)	1,220	-	-
Net movement in funds		2,295	-	40	2,335
<i>Reconciliation of funds</i>					
Total funds brought forward		15,204	-	228	15,432
Total funds carried forward	19	17,499	-	268	17,767

The above results are derived from continuing operations. All gains and losses are included above.

Statutory consolidated income and expenditure account

4 April 2021 to 2 April 2022 compared to 29 March 2020 to 3 April 2021

	2022	2021
	£000	£000
Income	18,556	17,316
Operating costs	(15,011)	(15,503)
	<hr/>	<hr/>
Operating surplus	3,545	1,813
Share of joint venture profits	229	297
Net gains on investments	227	155
Investment income	16	11
Interest receivable	1	1
	<hr/>	<hr/>
Surplus on ordinary activities for the financial period	4,018	2,277
	<hr/>	<hr/>

- > The summary income and expenditure account is derived from the Consolidated Statement of Financial Activities on page 38 which, together with the notes to the accounts on pages 45 to 74, provides full information on the movements during the financial period on all the funds of the group.
- > All income and expenditure are derived from continuing activities.
- > The income shown above differs from the Total Income shown in the Consolidated Statement of Financial Activities of £19,398,000 as it excludes restricted capital funds income of £596,000, the share of Joint venture profits of £229,000, investment income of £16,000 and interest receivable of £1,000 (note 5).
- > The surplus on ordinary activities shown above differs from the Net Income shown in the Consolidated Statement of Financial Activities of £4,614,000 as it also includes restricted capital funds income of £596,000 (note 19).

Consolidated statement of financial position

As at 2 April 2022 compared to 3 April 2021

Company Registration No. 2036103

	Note	2022		2021	
		£000	£000	£000	£000
Fixed assets					
Intangible assets	11		146		142
Tangible assets	10		9,209		8,829
Investments	12		5,552		7,325
Investments in associated companies	13		182		185
			15,089		16,481
Current assets					
Investments	12	2,000			
Inventories	14	6		24	
Debtors	15	4,216		2,409	
Cash held on deposit		1,256		250	
Cash at bank and in hand		2,047		924	
		9,525		3,607	
Creditors: Amounts falling due within one year	17	(1,321)		(1,313)	
Net current assets			8,204		2,294
Total assets less current liabilities			23,293		18,775
Provision for liabilities	18		(912)		(1,008)
Net assets			22,381		17,767
Fund balances					
Restricted capital funds	19/20	719		221	
Restricted income funds	19/20	273		47	
Total restricted funds			992		268
Designated fixed asset fund			9,537		9,156
Designated capital projects fund			4,000		-
Unrestricted available funds			7,852		8,343
	19/20		22,381		17,767

These financial statements were authorised for issue and approved by the Board of Trustees on 9 August 2022 and were signed on its behalf by:



M T Hopton, Chairman

Charity statement of financial position

As at 2 April 2022 compared to 3 April 2021

Company Registration No. 2036103

	Note	2022		2021	
		£000	£000	£000	£000
Fixed assets					
Intangible assets	11		146		142
Tangible assets	10		9,209		8,829
Investments	12		5,552		7,325
			14,907		16,296
Current assets					
Investments	12	2,000		-	
Debtors	15	4,319		2,514	
Cash held on deposit		1,256		250	
Cash at bank and in hand		2,000		908	
		9,575		3,672	
Creditors: Amounts falling due within one year	17	(1,362)		(1,322)	
Net current assets			8,213		2,350
Total assets less current liabilities			23,120		18,646
Provision for liabilities	18		(912)		(1,008)
Net assets			22,208		17,638
Fund balances					
Restricted capital funds	21	719		221	
Restricted income funds	21	273		47	
Total restricted funds			992		268
Designated fixed asset funds			9,355		8,971
Designated capital projects fund			4,000		-
Unrestricted available funds			7,861		8,399
	21		22,208		17,638

The net movement in funds for the parent charity was a net increase of funds of £4,570,000 (2021: net increase of funds of £2,349,000).

These financial statements were authorised for issue and approved by the Board of Trustees on 9 August 2022 and were signed on its behalf by:


 M T Hopton, Chairman

Consolidated statement of cash flows

4 April 2021 to 2 April 2022 compared to 29 March 2020 to 3 April 2021

	2022 £000	2021 £000
Cash flows from operating activities:		
Net cash provided by operating activities	2,816	3,961
Cash flows from investing activities:		
Dividends and interest from investments	17	12
Gift aid receipts from joint ventures	232	255
Purchase of property, plant and equipment	(831)	(186)
Purchase of intangible assets	(105)	(25)
Transfer to current asset investments	2,000	-
Purchase of investments	-	(6,761)
Net cash provided/ (used in) by investing activities	1,313	(6,705)
Change in cash and cash equivalents in the reporting period	4,129	(2,744)
Cash and cash equivalents at the beginning of the reporting period	1,174	3,918
Cash and cash equivalents at the end of the reporting period	5,303	1,174
Reconciliation of net income to net cash flow from operating activities (forming part of the financial statements)		
	2022 £000	2021 £000
Net income for the reporting period (as per the Statement of Financial Activities)	4,614	2,335
Adjustments for:		
Depreciation	450	440
Amortisation	101	100
Gains on investments	(227)	(155)
Share of joint venture net profit	(229)	(297)
Dividends and interest from investments	(17)	(12)
Loss on disposal of fixed assets	1	105
Decrease/ (increase) in stocks	18	(16)
(Increase)/ Decrease in debtors	(1,807)	702
Increase in creditors	8	50
(Decrease)/ Increase in provisions	(96)	709
Net cash provided by operating activities	2,816	3,961
Analysis of cash and cash equivalents		
Cash at bank and in hand	2,047	924
Notice deposits (less than 3 months)	1,256	250
Current asset investments	2,000	-
Total cash and cash equivalents	5,303	1,174

Notes

(forming part of the financial statements)

1. Principal accounting policies

Acorns Children's Hospice Trust is a private charitable company, limited by guarantee, and incorporated in England.

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the charitable company's financial statements.

The principal accounting policies adopted, judgements and key sources of estimation in the preparation of the financial statements are as follows:

Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) – (Charities SORP (FRS 102)) and the Companies Act 2006.

The financial statements have also been prepared in accordance with revised version of FRS102 (issued March 2018).

Monetary amounts in these financial statements are rounded to the nearest £1,000 except where otherwise stated. The financial statements are presented in Sterling, which is the functional currency of the group.

Acorns Children's Hospice Trust meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

The Charity Commission's guidance on public benefit organisations supports the conclusion that Acorns Children's Hospice Trust is a public benefit entity.

The financial statements have been drawn up to reflect the weekly trading calendar that drives activity in our shops which ends on the nearest Saturday to 31 March each year. The 2022 financial period therefore covers the period from 4 April 2021 to 2 April 2022 and the 2021 financial period covers the period from 29 March 2020 to 3 April 2021. The 2022 and 2021 column headings used in the financial statements and in the tables and notes that follow cover these reporting periods.

Disclosure exemptions

In accordance with FRS102, the Charity has taken advantage of the exemptions from the following disclosure requirements:

- Section 7 'Statement of Cash Flows' – Presentation of a Statement of Cash Flows and related notes and disclosures.

The financial statements of the Charity are consolidated in these financial statements of Acorns Children's Hospice Trust.

Notes (continued)

1. Principal accounting policies (Continued)

Preparation of the accounts on a going concern basis

The Charity's financial position and performance has been outlined in the financial review above. The Trustees have assessed projected future income, expenditure and cashflows over the period to August 2023 and considered the Charity's available reserves and liquid assets as well as its ability to withstand a material decline in income. Consideration has been given to the stability, predictability and diversity of various income streams in making this assessment.

As we emerge from the Covid-19 pandemic, the Trustees believe the Charity's financial resources and contingency planning is sufficient to ensure the continuation of the Charity as a going concern for the foreseeable future. Consequently, the financial statements have been prepared on this basis.

Gift Aid Payments

Gift Aid payments from the trading subsidiary are treated as distributions of profits.

Basis of consolidation

The group financial statements consolidate the financial statements of the parent company and its subsidiary undertaking for the financial period ended 2 April 2022. The trading results of the subsidiary undertaking are shown in note 3. Investments in joint ventures where the group holds an interest on a long-term basis which is jointly controlled by the group and one or more other venturers under a contractual arrangement are included in the group financial statements using the 'equity method'. The group discloses its share of joint ventures' operating result in the consolidated summary income and expenditure account and statement of financial activities and its share of the gross assets and liabilities in the consolidated balance sheet.

Where the financial period-end of a joint venture is not consistent with that of the group, the results of the joint venture or subsidiary are included in the consolidated financial statements using management accounts prepared for the financial period ended 2 April 2022.

In the charitable company's financial statements, investments in subsidiary undertakings are stated at cost.

Charitable company income and expenditure

A separate summary income and expenditure account, dealing with the results of the charitable company, has not been presented as permitted by Section 408 of the Companies Act 2006. A surplus of income over expenditure for the financial period of £4,570,000 (2021 surplus of income over expenditure of £2,349,000) has been dealt with in the financial statements of the charitable company.

Income

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received, and the amount of income receivable can be measured reliably.

Donations and legacies

Donations are accounted for on a receivable basis. Where material assets have been donated a cash equivalent is included. Where assistance is provided to meet costs which would otherwise be met by the group then an amount equivalent to these costs is included in the Consolidated Statement of Financial Activities as both income and matching expenditure.

Legacy income is recognised on a case by case basis following the granting of probate when the administrator/executor for the estate has communicated in writing both the amount and settlement date. In the event the gift is in the form of an asset other than cash or a financial asset traded on a recognised

Notes (continued)

1. Principal accounting policies (Continued)

stock exchange, recognition is subject to the value of the gift being reliably measurable with a degree of reasonable accuracy.

Government Revenue Grants

Revenue grants are credited to the Statement of Financial Activities when received or receivable whichever is earlier. Where unconditional entitlement to grants receivable is dependent upon fulfilment of conditions within the Trust's control, the income is recognised when there is sufficient evidence that conditions will be met. Where there is uncertainty as to whether the Trust can meet such conditions the incoming resource is deferred.

Charitable activities

Revenue based grants are credited to the Statement of Financial Activities when the conditions for receipt have been complied with. Income is deferred only when the provider specifies that the grant must be used in future financial periods; or the provider has imposed conditions which must be met before the Charity has unconditional entitlement.

Other activities

Income raised through the operation of the shops under the Charity's management is taken into account at the time of receipt.

Expenditure

All expenditure is accounted for on an accruals basis. Some costs incurred centrally are allocated to expenditure categories listed below on the basis of their use of central support services. Such allocations are made on the basis of staff numbers, asset values or other methods as most appropriate.

Raising funds

These costs are incurred in relation to staff members who are engaged directly in fund-raising and also include the costs of specific publicity campaigns for the raising of donations.

Charitable activities

This includes the direct costs of providing services and running projects.

Other costs

Other costs include Governance Costs. These are the costs incurred in connection with governance and professional support to Trustees, which includes a proportion of management's time providing governance support to Trustees.

Irrecoverable VAT

Irrecoverable VAT is charged directly to the Statement of Financial Activities.

Allocation of support and governance costs

Support costs are those functions that assist the work of the Charity but do not directly undertake charitable activities. They include back office costs such as human resources, payroll and property and governance costs such as finance and audit. These costs have been apportioned based on the spend under Raising funds, Event costs, and charitable activities costs. See note 4.

Notes (continued)

1. Principal accounting policies (Continued)

Termination benefits

Termination benefits are accounted for on a legal or constructive commitment basis.

Volunteers

The value of services provided by volunteers is not incorporated into the financial statements. However, volunteer hours (excluding hours donated by Trustees) are valued at the minimum wage and disclosed in note 7.

Tangible fixed assets and depreciation

Tangible fixed assets costing more than £2,500 are capitalised and included at cost including any incidental expenses of acquisition.

Depreciation is calculated to write off the cost, less the residual value, of tangible fixed assets over their estimated useful lives on a straight line basis as follows:

Freehold land	-	Nil
Freehold buildings	-	2%
Garden landscaping	-	10%
Short leasehold property	-	Over the shorter of five years or to the first break point of the lease
Fixtures, fittings and equipment-		10-25%
Motor vehicles	-	25%

No depreciation is provided on assets in the course of construction. Donated land and buildings are recognised in the financial statements at fair value.

Intangible fixed assets

Intangible fixed assets are non monetary assets without physical substance. Such assets above £2,500 are capitalised and included at cost.

Amortisation is calculated to write off the cost, less the residual value, of intangible fixed assets over their estimated useful lives on a straight line basis over 4 years.

Investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing bid price. The Statement of Financial Activities includes the net gains and losses arising on revaluation and disposals throughout the financial period.

The Charity does not acquire put options, derivatives or other complex financial instruments.

The main form of financial risk faced by the Charity is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors and subsectors.

Notes (continued)

1. Principal accounting policies (Continued)

Gains and losses

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sale proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial period.

Unrealised gains and losses are calculated as the difference between the fair value at the financial period end and their carrying value.

Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

Pensions

Employees of the Charity are entitled to join a defined contribution 'money purchase' scheme. Alternatively, if they have previously been members of the NHS defined benefit scheme they can continue their membership to that scheme.

The money purchase, defined contribution scheme is managed by Scottish Widows and the plan invests the contributions made by the employee and the employer in an investment fund to build up over the term of the plan. The pension fund is then converted into a pension upon the employee's retirement. The contribution rate for employees is 3.0% gross of basic pay and the employer's contribution is 7.5% of basic pay. The cost of the scheme to Acorns is the value of contributions payable to Scottish Widows in the accounting period.

The NHS scheme is a defined benefit scheme. Employee contributions are based on a percentage of their earnings depending on how much they earn. Employer contributions are 14.38% (2021: 14.38%) of the employee's salary. The scheme is unfunded and as a result it is not possible for Acorns to identify its share of the underlying scheme liabilities. The scheme is therefore accounted for as a defined contribution scheme. The cost of the scheme to Acorns is the value of contributions payable to the NHS in the accounting period. The pension costs are allocated between activities based on the time spent by staff on each activity.

Contingent assets

A contingent asset is identified and disclosed for those legacies resulting from:

- a possible entitlement but there is uncertainty as to the amount of the receipt, for example the legacy may be subject to challenge or the Charity's interest may be a residuary one; or,
- the interest of the Charity in a pecuniary or residuary legacy cannot be measured reliably.

Leased assets and obligations

Where assets are financed by leasing agreements that give rights approximating to ownership ("finance leases"), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable during the lease term. The corresponding leasing commitments are shown as obligations to the lessor. Lease payments are treated as consisting of capital and interest elements, and the interest is charged to the Statement of Financial Activities in proportion to the remaining balance outstanding.

All other leases are "operating leases" and the annual rentals are charged to the Statement of Financial Activities on a straight-line basis over the lease term.

Notes (continued)

1. Principal accounting policies (Continued)

Pension costs

The pension costs represent amounts payable by the group during the financial period (see note 23).

Inventories

Stocks of bought in goods are stated at the lower of cost and net realisable value. Stocks of unsold donated goods are not valued for balance sheet purposes, on the basis the value is not material.

Debtors and prepayments

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

Cash and cash equivalents

Cash and cash equivalents include cash and short term highly liquid investments with a short maturity value of three months or less from the date of acquisition or opening of the deposit or similar account.

Creditors and provisions

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

Financial instruments

The Trust only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Deferred taxation

In the subsidiary financial statements, the charge for taxation is based on the result for the financial period and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Deferred tax is recognised when material, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 102.

Fund accounting

Acorns has various types of funds for which it is responsible and which require separate disclosure. These are as follows:

Restricted income funds

Grants, donations or legacies received, or income arising from such, which are earmarked by the donor for specific purposes. Such purposes are within the overall aims of the charitable company.

Notes (continued)

1. Principal accounting policies (Continued)

Restricted capital funds

Given to the Charity where the income is to be used for the charitable company's purposes for the purchase of capital items. Restricted capital funds are transferred to unrestricted funds on purchase of the asset where no further restrictive covenant is in place.

Unrestricted funds

Funds are expendable at the discretion of the Trustees in furtherance of the objects of the charitable company. In addition to expenditure on care, such funds may be held in order to finance capital investment and working capital.

Funds are designated for tangible and intangible fixed assets as well as investments in associated companies and capital projects. Unrestricted funds remaining are the available free reserves of the Charity.

Fund transfers

Restricted capital funds are transferred to unrestricted funds on purchase of the asset concerned where no restrictive covenant is in place.

Unrestricted shop funds are transferred to unrestricted funds every year to support expenditure on care services.

Designated funds

Designated fixed asset fund – this represents the net book value of the tangible and non tangible assets as well as the investments in associated companies.

Designated capital fund – this represents future investment in our infrastructure assets.

Liabilities

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the Charity to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the Charity's accounting policies, which are described above, the Trustees are required to make judgements, estimates and assumptions about the carrying amounts 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 financial period in which the estimate is revised, if the revision affects only that financial period, or in the financial period of the revision and future financial periods, if the revision affects both current and future financial periods.

Notes (continued)

1. Principal accounting policies (Continued)

In preparing these financial statements, the Trustees have made judgements in determining the:

- value of the legacy accrual. The value depends on decisions regarding entitlement to the gift, probability of receipt and the ability to value it with sufficient accuracy;
- the value of provisions and which provisions are required. A dilapidations provision is held relating to the estimated cost of repairs to a number of leasehold premises at the end of their leases, where the anticipated future costs can be estimated reliably and the likelihood of the costs being incurred is considered probable. A provision of £912,000 is held at the financial period end and the uncertainty surrounding this is disclosed in note 18;
- impairment of tangible and intangible fixed assets. Factors taken into consideration in reaching the decision include the availability of resources to continue service delivery in the future at previous levels; and,
- applicability of going concern. The main judgement was the assessment of the group's cash reserves and whether they were considered sufficient to meet operational commitments for the foreseeable future.

2. Status of the charitable company

The charitable company, 2036103, is limited by guarantee and does not have share capital. The registered office is Drakes Court, Alcester Road, Wythall, B47 6JR. The principal activity is to provide specialist, palliative care services to children, young people and their families in our region.

The liability of members is limited but is not to exceed £1 per member.

3. Income and costs from trading activities of subsidiary

Acorns Children's Hospice Trading Limited

The Charity has a wholly owned subsidiary, Acorns Children's Hospice Trading Limited, company number, 2642603, which is incorporated in England.

The company sells new goods as well as acting as agent for the parent charity for the sale of goods attracting retail gift aid.

This company has committed to pay its distributable profits to the Charity by Gift Aid and pays interest on loans from the Charity. A summary of the audited results is shown below:

Notes (continued)**3. Income and costs from trading activities of subsidiary (Continued)****Acorns Children's Hospice Trading Limited (Continued)**

	2022 £000	2021 £000
Turnover	165	95
Cost of sales	(48)	(23)
	<hr/>	<hr/>
Gross profit	117	72
Administrative expenses	(17)	(16)
	<hr/>	<hr/>
Profit on ordinary activities before taxation	100	56
Taxation	-	-
	<hr/>	<hr/>
Total comprehensive income for the financial period	100	56
	<hr/> <hr/>	<hr/> <hr/>

For an overview of the financial performance of the group's retail operation see the Consolidated Statement of Financial Activities on page 38.

The aggregate of the subsidiary's assets, liabilities and funds is as follows:

	2022 £000	2021 £000
Total assets	117	72
Total liabilities	(17)	(16)
	<hr/>	<hr/>
Net funds	100	56
	<hr/> <hr/>	<hr/> <hr/>

Notes (continued)**4. Total expenditure (excluding shops)**

	Direct costs	Support and Governance costs	2022 Total	2021 Total
	£000	£000	£000	£000
Raising funds				
Fundraising	1,172	436	1,608	1,508
Event costs	60	31	91	106
Charitable activities				
Residential care services	5,491	1,993	7,484	7,323
Community care services	1,571	512	2,083	1,770
	<u>8,294</u>	<u>2,972</u>	<u>11,266</u>	<u>10,707</u>
			2022	2021
			£000	£000
Consisting of				
Staff costs (including training and travel etc.)			8,971	8,516
General overheads			1,312	1,267
Depreciation and amortisation			433	428
Direct care service costs			392	410
Direct fundraising costs			158	86
			<u>11,266</u>	<u>10,707</u>

Notes (continued)**4. Total expenditure (excluding shops) (Continued)**

	2022	2021
	£000	£000
Support costs comprise		
Communications	430	288
Head office and property	1,360	1,401
Finance and management	458	497
HR and project support	724	534
	<u>2,972</u>	<u>2,720</u>
	2022	Restated
	£000	2021
		£000
Governance costs (included in support costs above) comprise:		
Head office and property	375	409
Finance and management	34	37
Audit fees	33	31
	<u>442</u>	<u>477</u>

Support costs are allocated to each activity in proportion to the expenditure incurred directly in undertaking that activity.

The figure for prior year audit fees has been corrected to reflect the actual figure of £31K, which was disclosed in last year's accounts as £22K. Head office and property has been corrected to reflect the actual figure of £409K, which was disclosed in last year's accounts as £418K.

Finance and management includes interest costs of £Nil (2021: £Nil).

5. Interest

	2022	2021
	£000	£000
Bank interest received	<u>1</u>	<u>1</u>

6. Government Grants

There are no unfulfilled conditions relating to the grant income recognised in the Statement of Financial Activities.

Notes (continued)**7. Analysis of staff costs, Trustee remuneration and expenses, and the cost of key management personnel**

The average number of people employed by the group (headcount) is set out below:

	Group Average Headcount	
	2022	2021
Staff (includes bank/agency staff)	356	389
	<hr/>	<hr/>
	2022	2021
	£000	£000
The aggregate of these persons were as follows:		
Wages and salaries	9,189	8,742
Social security costs	814	769
Pension costs	751	714
	<hr/>	<hr/>
	10,754	10,225
	<hr/>	<hr/>

In addition to the above, redundancy and termination benefits amounted to £50,000 (2021: £170,000).

Pension costs	2022	2022	2021	2021 Restricted
	Unrestricted	Restricted	Unrestricted	
	£000	£000	£000	£000
Care	464	-	446	-
Retail	119	-	115	-
Administration	168	-	153	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total	751	-	714	-
	<hr/>	<hr/>	<hr/>	<hr/>

Eighteen Trustees served during the financial period (2021:17) and received no remuneration for their services. Where claimed, expenses for travel and subsistence are reimbursed. The amount claimed in the financial period was £Nil (2021: £Nil).

The Charity holds trustee indemnity insurance at a cost of £2,490 (2021: £1,991).

Notes (continued)

7. Analysis of staff costs, Trustee remuneration and expenses, and the cost of key management personnel (Continued)

The number of volunteers who worked for the group part-time without pay during the financial period was 960. Hours donated totalled 222,268 with a theoretical value estimated, using the National Minimum Wage, of £2,040,420 (2021: 450 volunteers, hours donated 89,249 with a theoretical value estimated, using the National Minimum wage, of £746,121). Trustees' donated time has not been included in the valuation.

Volunteers work in all areas of the charitable operation and undertake roles such as, retail assistants, administrative clerks, play and sibling assistants and event assistance.

8. Key management personnel remuneration

The key management personnel of the parent charity, the Trust, comprise the Trustees, the Chief Executive Officer, Director of Supporter Engagement, Director of Care, Chief Financial Officer and Director of People & Culture. The total employee benefits (including employer's pension contributions and NIC) of the key management personnel of the Trust were £479,913 (2021: £707,221).

The salaries and benefits of the key management personnel and higher paid employees (excluding employer's pension contributions and NIC), totalling above £60,000 are analysed as follows:

	Group	
	Number of employees	
	2022	2021
£60,001 - £70,000	1	3
£70,001 - £80,000	2	2
£80,001 - £90,000	2	1
£90,001 - £100,000	1	1

During October 2021, the Chief Financial Officer joined the team of key management personnel. The individual did not earn above £60,000 for the period they were the Chief Financial Officer in the financial year. In addition, the interim Director of Finance stepped down when the Chief Financial Officer started. Again, the individual did not earn more than £60,000 for the period they were acting up in the financial year.

Notes (continued)**9. Net group income**

	Group	
	2022	2021
	£000	£000
<i>Net group income is stated after charging/(crediting)</i>		
Depreciation of tangible assets	450	440
Amortisation of intangible assets	101	100
Operating lease charges:		
Buildings (including retail shops)	908	1,282
Plant and machinery	32	44
Operating lease income	(14)	(17)
<i>Auditor's remuneration</i>		
Audit of these financial statements	31	29
Audit of financial statements of subsidiaries pursuant to legislation	2	2
Other services relating to taxation	4	2

The comparative for 'Audit of these financial statements' has been corrected to reflect the actual figure of £29K, which was disclosed in last year's accounts as £22K.

Notes (continued)**10. Tangible fixed assets****Group and Charity**

	Freehold land and buildings	Short leasehold property	Motor vehicles	Fixtures, fittings and equipment	Total
	£000	£000	£000	£000	£000
Cost					
At beginning of financial period	11,644	636	97	1,062	13,439
Additions	199	523	-	109	831
Disposals	-	(1)	-	-	(1)
At end of financial period	11,843	1,158	97	1,171	14,269
Depreciation					
At beginning of financial period	3,373	476	82	679	4,610
Charge for the financial period	185	95	14	156	450
Disposals	-	-	-	-	-
At end of financial period	3,558	571	96	835	5,060
Net book value					
At 2 April 2022	8,285	587	1	336	9,209
At 3 April 2021	8,271	160	15	383	8,829

Included within freehold land and buildings is land donated during the financial period ended 29 March 2005 for the Worcester Hospice site, valued at £2,150,000. The valuation was performed by Andrew Grant, Chartered Surveyors, on a market value in use basis on 9 February 2005. This value has been used as the deemed historic cost.

The gross amount of depreciable assets included within freehold land and buildings is £9,693,000 (2021: £9,494,000).

The hospice located in Worcester is held as security by the group's bank.

Use of assets:

	Group		Charity	
	2022 £000	2021 £000	2022 £000	2021 £000
Care Services	8,621	8,654	8,621	8,654
Other, including shops, warehouse and administration	588	175	588	175
Net book value	9,209	8,829	9,209	8,829

Notes *(continued)***11. Intangible fixed assets****Group and Charity**

	Application Software Enhancements
	£000
Cost	
At beginning of financial period	450
Additions	105
Disposals	(61)
	<hr/>
At end of financial period	494
	<hr/> <hr/>
Amortisation	
At beginning of financial period	308
Charge for the financial period	101
Disposals	(61)
	<hr/>
At end of financial period	348
	<hr/> <hr/>
Net book value	
At 2 April 2022	146
	<hr/> <hr/>
At 3 April 2021	142
	<hr/> <hr/>

Amortisation is included within depreciation and allocated across the cost of raising funds and the cost of charitable activities.

Notes (continued)**12. Fixed and current asset investments****Fixed asset investments****Group and Charity**

Multi-fund assets	£000
Group and Charity	
Fair value 3 April 2021	7,325
Additions at cost	-
Transfers to current assets	(2,000)
Disposal proceeds	-
Net revaluation gain	227
	<hr/>
Fair value 2 April 2022	5,552
	<hr/>

	Fair value 2022 £000	Cost 2022 £000	Fair Value 2021 £000	Cost 2021 £000
Multi-fund assets	5,552	5,249	7,325	7,261
	<hr/>	<hr/>	<hr/>	<hr/>
Net book value	5,552	5,249	7,325	7,261
	<hr/>	<hr/>	<hr/>	<hr/>

Investments are revalued at bid value at the financial period end, being fair value.

No investments have a value of 5% or more of the portfolio.

Current asset investments**Group and Charity**

	2022 £000	2021 £000
Multi-fund assets	2,000	-
	<hr/>	<hr/>

Notes (continued)

13. Investments in associated companies

Investments in associated companies comprise the following:

	Group		Charity	
	2022 £000	2021 £000	2022 £000	2021 £000
Investment in joint ventures	182	185	-	-
	<u>182</u>	<u>185</u>	<u>-</u>	<u>-</u>

Investment in subsidiary undertakings

The group owns the entire share capital (comprising ordinary shares of £1 each) in the following companies:

Subsidiary undertakings	Ordinary shares	Nature of trade
Acorns Children's Hospice Trading Limited (2642603)	2	Retail and merchandise operations

Investment in joint ventures

The group has investments in the following joint ventures:

Joint ventures	Proportion of issued ordinary shares held
	%
TLC Lotteries Limited*	33.3
Worcestershire Hospices Lottery Limited*	33.3
	Proportion of voting rights held
	%
Childlife (company limited by guarantee)	25.0

* Held indirectly

Notes (continued)**13. Investments in associated companies (Continued)**

TLC Lotteries Limited and Worcestershire Hospices Lottery Limited are trading companies incorporated in Great Britain and promote commercial lottery games which aim to generate profits for the benefit of their affiliated charities (see note 24). TLC Lotteries Limited financial period end is 31 December 2021. Worcestershire Hospices Lottery Limited financial period end is 31 March 2022.

Childlife is a charitable company limited by guarantee to £1. Its objects are to promote the relief of children who are in need, by enabling member charities to better meet their respective charitable purposes.

Group				Share of net assets
				£000
At beginning of financial period				185
Profits:				
TLC Lotteries Limited			96	
Worcestershire Hospices Lottery Limited			81	
Childlife			52	
			<u>229</u>	
Amounts withdrawn as gift aid:				
TLC Lotteries Limited			(86)	
Worcestershire Hospices Lottery Limited			(83)	
Childlife			(63)	
			<u>(232)</u>	
At end of financial period				<u>182</u>
	TLC Lotteries Limited	Worcesterhire Hospices Lottery Limited	Childlife	Total
	£000	£000	£000	£000
Represented by:				
Share of gross assets	94	56	183	333
Share of gross liabilities	(43)	(41)	(67)	(151)
	<u>51</u>	<u>15</u>	<u>116</u>	<u>182</u>

Notes (continued)**14. Inventories**

	Group		Charity	
	2022 £000	2021 £000	2022 £000	2021 £000
Bought in good for resale	6	24	-	-

15. Debtors

	Group		Charity	
	2022 £000	2021 £000	2022 £000	2021 £000
Amounts owed by joint ventures (see note 24)	-	-	103	106
Income tax recoverable	522	237	522	237
Other debtors	259	371	259	370
Prepayments and accrued income	3,435	1,801	3,435	1,801
	4,216	2,409	4,319	2,514

16. Basic Financial Instruments

	Group		Charity	
	2022 £000	2021 £000	2022 £000	2021 £000
Financial assets measured at fair value	7,552	7,325	7,552	7,325

Notes (continued)**17. Creditors: Amounts falling due within one year**

	Group		Charity	
	2022 £000	2021 £000	2022 £000	2021 £000
Amounts owed to subsidiary undertaking (see note 24)	-	-	57	25
Trade creditors	404	303	404	303
Other tax and social security	233	208	233	208
Accruals and deferred income	431	605	415	589
Other creditors	253	197	253	197
	<u>1,321</u>	<u>1,313</u>	<u>1,362</u>	<u>1,322</u>
				Group and Charity
				£000
Deferred income				
Balance at 3 April 2021				454
Amount released to income				(454)
Amount deferred in the financial period				228
				<u>228</u>
Balance at 2 April 2022				<u>228</u>

Deferred income relates to restricted donations that fund salaries for a period spanning more than one financial period. The income is deferred and matched to salaries as they are incurred in future accounting periods.

Notes *(continued)*

18. Provision for liabilities

	Group		Charity	
	2022 £000	2021 £000	2022 £000	2021 £000
Dilapidations and onerous contracts	912	1,008	912	1,008

The movement in the dilapidations and onerous contract provision in the financial period was:

	2022 £000	2021 £000
At beginning of financial period	1,008	299
Utilised in the current financial period	(96)	-
Additions	-	709
At end of financial period	912	1,008

Within the provision for liabilities is the dilapidation provision for the cost of repairs to a number of leasehold properties at the end of their leases. The value is re-assessed annually. Given the timing of lease exit is uncertain, the value and timing of the resulting payments is also uncertain.

Notes (continued)**19. Fund balances**

At 2 April 2022, group funds are analysed as follows:

	At 4 April 2021 £000	Income £000	Revenue expenditure £000	Gains/ (losses) and transfers £000	At 2 April 2022 £000
Designated fixed asset fund	9,156	-	-	381	9,537
Designated capital projects fund	-	-	-	4,000	4,000
Unrestricted available funds	8,343	15,454	(11,791)	(4,154)	7,852
	<u>17,499</u>	<u>15,454</u>	<u>(11,791)</u>	<u>227</u>	<u>21,389</u>
Restricted income funds:					
Acorns Worcester	11	1,052	(790)	-	273
Worcester Children's Hospice Grant	-	478	(478)	-	-
Worcester NHSE Covid-19 Support	-	100	(100)	-	-
Acorns Walsall	-	85	(85)	-	-
Walsall Children's Hospice Grant	-	478	(478)	-	-
Walsall NHS Covid-19 Support	-	101	(101)	-	-
Acorns Selly Oak	-	465	(465)	-	-
Selly Oak Children's Hospice Grant	-	479	(479)	-	-
Selly Oak NHS Covid-19 Support	-	101	(101)	-	-
Other projects	36	8	(44)	-	-
	<u>47</u>	<u>3,347</u>	<u>(3,121)</u>	<u>-</u>	<u>273</u>
Restricted capital funds:					
Acorns Walsall	36	470	-	-	506
Acorns Worcester	96	11	(73)	-	34
Acorns Selly Oak	84	116	(26)	-	174
Acorns Shops	5	-	-	-	5
	<u>221</u>	<u>597</u>	<u>(99)</u>	<u>-</u>	<u>719</u>
Total	<u>17,767</u>	<u>19,398</u>	<u>(15,011)</u>	<u>227</u>	<u>22,381</u>

Notes (continued)**19. Fund balances (Continued)**

At 3 April 2021, group funds are analysed as follows:

	At 29 March 2020 £000	Income £000	Revenue expenditure £000	Gains/ (losses) and transfers £000	At 3 April 2021 £000
Designated fixed asset fund	-	-	-	9,156	9,156
Designated capital projects fund	-	-	-	-	-
Unrestricted available funds	15,204	12,298	(10,158)	(9,001)	8,343
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Unrestricted income	15,204	12,298	(10,158)	155	17,499
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Restricted income funds:					
Acorns Worcester	32	581	(602)	-	11
Worcester Children's Hospice Grant	-	464	(464)	-	-
Worcester NHSE Covid-19 Support	-	893	(893)	-	-
Acorns Walsall	-	39	(39)	-	-
Walsall Children's Hospice Grant	-	464	(464)	-	-
Walsall NHSE Covid-19 Support	-	893	(893)	-	-
Acorns Selly Oak	-	612	(612)	-	-
Selly Oak Children's Hospice Grant	-	465	(465)	-	-
Selly Oak NHSE Covid-19 Support	-	894	(894)	-	-
Other projects	34	21	(19)	-	36
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total	66	5,326	(5,345)	-	47
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Restricted capital funds:					
Acorns Walsall	-	36	-	-	36
Acorns Worcester	96	-	-	-	96
Acorns Selly Oak	61	23	-	-	84
Acorns Shops	5	-	-	-	5
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	162	59	-	-	221
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total	15,432	17,683	(15,503)	155	17,767
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

Notes (continued)

19. Fund balances (Continued)

Restricted income funds

Acorns Worcester - income was received specifically for use at the Worcester hospice and was used to assist in the general running costs of that hospice.

Worcester Children's Hospice Grant - this was an NHS England grant awarded to assist with the running costs of the Worcester hospice.

Worcester NHS England Covid-19 support grant - received to provide capacity for the NHS at the Worcester Hospice.

Acorns Walsall - income was received specifically for use at the Walsall hospice and was used to assist in the general running costs of that hospice.

Walsall Children's Hospice Grant - this was an NHS grant awarded to assist with the running costs of the Walsall hospice.

Walsall NHS England Covid-19 support grant - received to provide capacity for the NHS at the Walsall Hospice.

Acorns Selly Oak - income was received specifically for use at the Selly Oak hospice and was used to assist in the general running costs of that hospice.

Selly Oak Children's Hospice Grant - this was an NHS grant awarded to assist with the running costs of the Selly Oak hospice.

Selly Oak NHS England Covid-19 support grant - received to provide capacity for the NHS at the Selly Oak Hospice.

Other projects - this fund relates to small amounts received in the financial period for specific purposes which are carried forward until expended.

Restricted capital funds

Acorns Walsall - funds were received that were specifically restricted for capital projects at Walsall.

Acorns Worcester - funds were received that were specifically restricted for capital projects at Worcester.

Acorns Selly Oak - funds were received that were specifically restricted for capital projects at Selly Oak.

Acorns Shops - funds were received that were specifically restricted for a capital project at the Moseley shop.

Fund transfers

Restricted capital funds are transferred to unrestricted funds on purchase of the asset concerned where no restrictive covenant is in place.

Unrestricted shop funds are transferred to unrestricted funds every year to support expenditure on care services.

Notes (continued)**19. Fund balances (Continued)****Designated funds**

Designated fixed asset fund – this represents the net book value of the tangible and non tangible assets as well as the investments in associated companies.

Designated capital fund – this represents future investment in our infrastructure assets.

20. Analysis of group net assets

At 2 April 2022	Unrestricted funds £000	Restricted income funds £000	Restricted capital funds £000	2022 Total £000	2021 Total £000
Tangible fixed assets	8,490	-	719	9,209	8,829
Intangible fixed assets	146	-	-	146	142
Fixed asset investments	5,734	-	-	5,734	7,510
Net current assets	7,931	273	-	8,204	2,294
Provisions	(912)	-	-	(912)	(1,008)
Total net assets	21,389	273	719	22,381	17,767
At 3 April 2021	Unrestricted funds £000	Restricted income funds £000	Restricted capital funds £000	2021 Total £000	2020 Total £000
Tangible fixed assets	8,608	-	221	8,829	9,188
Intangible fixed assets	142	-	-	142	217
Fixed asset investments	7,510	-	-	7,510	552
Net current assets	2,247	47	-	2,294	5,774
Provisions	(1,008)	-	-	(1,008)	(299)
Total net assets	17,499	47	221	17,767	15,432

Notes (continued)**21. Analysis of Charity net assets**

At 2 April 2022	Unrestricted funds £000	Restricted income funds £000	Restricted capital funds £000	2022 Total £000	2021 Total £000
Tangible fixed assets	8,490	-	719	9,209	8,829
Intangible fixed assets	146	-	-	146	142
Fixed asset investments	5,552	-	-	5,552	7,325
Net current assets	7,940	273	-	8,213	2,350
Provisions	(912)	-	-	(912)	(1,008)
Total net assets	21,216	273	719	22,208	17,638
At 3 April 2021	Unrestricted funds £000	Restricted income funds £000	Restricted capital funds £000	2021 Total £000	2020 Total £000
Tangible fixed assets	8,608	-	221	8,829	9,188
Intangible fixed assets	142	-	-	142	217
Fixed asset investments	7,325	-	-	7,325	409
Net current assets	2,303	47	-	2,350	5,774
Provisions	(1,008)	-	-	(1,008)	(299)
Total net assets	17,370	47	221	17,638	15,289

Notes (continued)**22. Financial commitments**

At 2 April 2022, the Group and Charity had total future commitments under non-cancellable operating leases, as set out below:

	2022		2021	
	Land and buildings	Plant and machinery	Land and buildings	Plant and machinery
Group and Charity	£000	£000	£000	£000
Amounts payable:				
Not later than one year	674	26	820	28
Later than one year and not later than five years	835	34	1,463	59
Later than five years	-	-	7	2
	<u>1,509</u>	<u>60</u>	<u>2,290</u>	<u>89</u>

23. Pension costs

The group contributes, as part of an employee's contract of employment, amounts which are payable to defined contribution schemes or to an NHS defined benefit scheme where appropriate. During the financial period, employee and employer contributions totalled £751,000 (2021: £714,000). At 2 April 2022, the group owed employee and employer contributions of £199,000 (2021: £137,000). Amounts payable during the next twelve months are anticipated to be at similar levels.

The NHS scheme is an unfunded, defined benefit scheme that covers NHS employers, General Practices and other bodies, allowed under the direction of Secretary of State, in England and Wales. Consequently, it is not possible for Acorns Children's Hospice Trust to identify its share of the underlying scheme liabilities. The scheme is accounted for as a defined contribution scheme and the cost of the scheme is equal to the contributions payable to the scheme for the accounting period.

Employer's pension cost contributions are charged to operating expenses as and when they become due. Employer contribution rates are reviewed every four years (previously five years) following a scheme valuation carried out by the Government Actuary. On advice from the actuary the contribution rate may be varied from time to time to reflect changes in the scheme's liabilities.

Employer contributions for the financial period were 14.3% of pensionable pay plus 0.08% for an administration levy taking the total employer contribution to 14.38%. Following the most recent valuation (as at 31 March 2016) the employer contribution rates will increase to 20.6% of pensionable pay over an implementation period of 1 April 2019 to 31 March 2023, although they currently remain at 14.38%. At 31 March 2016, the notional value of the scheme assets was £278.1bn and the assessment of the liabilities of the scheme was £297.5bn. The most recent valuation can be viewed at the following.

<https://www.nhsbsa.nhs.uk>

Notes *(continued)*

24. Related party transactions

The group owns a third share of TLC Lotteries Limited, a trading company which is jointly controlled by Acorns Children's Hospice Trading Limited, Focus Birmingham and The Hospice Charity Partnership, under the terms of a joint venture agreement. Mr M T Hopton (Trustee) and Mr N Cramer (Director) are also Directors of TLC Lotteries Limited.

The group also owns a third share of Worcestershire Hospices Lottery Limited, a trading company which is jointly controlled by Acorns Children's Hospice Trading Limited and St Richard's Hospice Foundation. Mr M T Hopton (Trustee) and Mrs V Rowles (Senior Officer) are also directors of Worcestershire Hospices Lottery Limited.

The group controls a quarter share of Childlife, a charitable company limited by guarantee which is jointly controlled by Acorns Children's Hospice Trust, Ataxia UK, The National Deaf Children's Society and National Children's Bureau. Ms C White (Senior Officer) is a Childlife Trustee.

Notes (continued)**24. Related party transactions (Continued)**

Transactions in the financial period:

	Charity	
	2022	2021
	£000	£000
TLC Lotteries Limited		
Balance Brought forward	61	62
Share of profits	96	110
Administration expenses recharge	11	14
Gift aid received	(86)	(111)
Repayment of administration expenses	(11)	(14)
	71	61
	71	61
Worcestershire Hospices Lottery Limited		
Balance Brought forward	13	3
Share of profits	81	100
Gift aid received	(83)	(90)
	11	13
	11	13
Childlife		
Balance brought forward	32	37
Share of profits	52	87
Gift aid received	(63)	(92)
	21	32
	21	32
	Charity	
	2022	2021
	£000	£000
Totals		
Balance brought forward	106	102
Share of profits	229	297
Administration expenses recharge	11	14
Gift aid received	(232)	(293)
Repayment of administration expenses	(11)	(14)
	103	106
Amounts owing from joint ventures	103	106

Notes (continued)

24. Related party transactions (Continued)

Transactions and balances between Acorns Children's Hospice Trust and Acorns Children's Hospice Trading Limited, on normal commercial terms, were:

	2022 £000	2021 £000
Amount owed to subsidiary undertaking	(57)	(25)
Transactions during the financial period		
Gift aid commission to subsidiary	(37)	(11)
Gift aid distributions received from subsidiary	56	107

Acorns Children's Hospice Trading Limited owns a third share of TLC Lotteries Limited under the terms of a joint venture.

	2022 £000	2021 £000
Amounts invoiced to TLC Lotteries Limited in respect of rent of office space and related charges	11	14
Balance due from TLC Lotteries Limited at end of financial period	3	-

25. Contingent assets – legacy income

As at 2 April 2022 (3 April 2021) the Charity had been notified of a number of residuary legacies, the value of which is uncertain. As at 9 August 2022 no further information had been received that would enable an accurate valuation (4 August 2021: £Nil). As a result, these legacies have not been accrued for within the 2 April 2022 financial statements (3 April 2021: £Nil).

