

Company number: 2601495

Charity number: 1002832

Wessex Children's Hospice Trust

Report and financial statements

For the year ended 31 March 2019



Wessex Children's Hospice Trust

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For the year ended 31 March 2018

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Wessex Children's Hospice Trust

Reference and administrative information

For the year ended 31 March 2019

Company number 2601495

Charity number 1002832

Registered office and operational address Naomi House, Stockbridge Road, Sutton Scotney
WINCHESTER, SO21 3JE

Trustees Trustees, who are also directors under company law, who served during the year and up to the date of this report were as follows:

Mr David Holmes CBE	Chair
Mrs Faith Ramsay	Treasurer/Co-Vice Chair
Mrs Elizabeth Wallace	Co-Vice Chair
Mr Nicholas Allen	
Mr Stevo Radjen	
Dr Michael Miller	
Mr Julian Walker	
Mr Julian Cracknell	
Mrs Sam Curd	
Mr Shaun Southern	
Mrs Alison Richardson	
Mr Robin Hassan	
Mr Rob Simpson	
Mrs Nicola Redfern	

Key management personnel	Mr Mark Smith	Chief Executive Officer
	Mrs Lesley Brook	Director of Care/Deputy CEO
	Ms Wendy Burns	Director of Finance/Secretary – resigned 16/08/18
	Ms Claire Imhofe	Director of Finance/Secretary – appointed 14/08/18
	Ms June Morton	Director of Human Resources
	Mr Paul Morgan	Director of Fundraising & Communications

Bankers	Royal Bank of Scotland Plc	Barclay's Bank Plc
	67 High Street, SO23 9DA	PO Box 612, Ocean Way, SO14 2ZP

Solicitors	Blake Morgan	Gardener Leader
	New Kings Court, Tollgate	White Hart House
	Chandlers Ford SO23 9DA	Market Place, Newbury RG14 5BA

Auditor	Sayer Vincent LLP, Chartered Accountants and Statutory Auditor Invicta House, 108-114 Golden Lane, LONDON, EC1Y 0TL
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Report of the trustees

For the year ended 31 March 2019

Trustee statement

The Trustees are pleased to present their annual report and accounts of the Charity and its subsidiary for the year ending 31 March 2019.

The accounts have been prepared in accordance with:

- the Charities Act 2011
- the Companies Act 2006
- the Memorandum and Articles of Association
- the 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 (FRS102)

A Message from the Chair

I am pleased to present the Annual Report and Accounts for Naomi House and Jacksplace – the specialist regional hospice for children & young adults in the South of England.

During 2018, Naomi House celebrated its 21st Anniversary Year which provided us with the opportunity to celebrate this important milestone, and reflect upon all that we have achieved since opening in 1997. By looking back at our history we can see how the needs of the children, young people and their families have changed and how much the organization has grown and developed to meet those needs. Jacksplace since opening in 2010 continues to successfully provide services to children who are living longer into young adulthood. The refurbishment of Naomi House in 2015, ensures our facilities are up to date to meet the needs of children and families now, and into the future. Medical science and technology has progressed so much that the care we are providing today is more complex than ever before and we are supporting families for longer.

Throughout the year, we had a number of events and celebrations that enabled our founders and original members to come together with families, Trustees, staff, volunteers and supporters to celebrate Naomi House and Jacksplace as the great community it is, and continues to be. The hospice only exists because of the many people who come together from across the Wessex region to support life-limited and life-threatened children, young people and their families, providing planned and emergency respite care, community support, end of life care and bereavement support.

We are only able to continue to provide the services we do due to the continued support of individuals, groups, trusts and companies in the community with over 90% of our income coming from voluntary sources, legacies and through our shops and lottery program.

Demand for our services continues to grow with more children, young adults and their families supported than in previous years, with 576 families supported in the last 12 months. We continue to progress and evolve the work that we do and keep pace with the ever changing healthcare environment, and improving and maintaining the skills and competencies of our staff to meet these demands. It is however a challenging time, with a national shortage of skilled nurses and a

Report of the trustees

For the year ended 31 March 2019

competitive funding environment. Therefore, we have to work creatively to manage our resources well, raise the funds needed and keep ourselves ahead of advancing medical technology and increasing regulation.

Everyone at Naomi House & Jacksplace is dedicated to providing excellent services to the children, young adults and their families who need us.

I would like to take the opportunity to thank everyone involved in Naomi House & Jacksplace now and throughout the last 21 Years. From staff and volunteers, to donors and supporters, to Trustees and members, as it is only this truly combined effort that makes Naomi House the wonderful charity that it is.

Vision and Mission – our strategic focus

OUR VISION

Is that every child, young adult, and their families receive the care services they need, when and where they need them, and for as long as needed.

OUR MISSION

Is to provide high quality care services to children, young adults and their families and through innovation, partnership working, good governance and leadership, to ensure their sustainability for the future.

Underpinning our vision and our mission, are our core values:

- People focus
- Openness
- Pride
- Ambition
- Resourcefulness

Our strategic aims of sustainability, quality, innovation and leadership, look to ensure that our services are available to families whenever needed.

Underpinning the achievement of these strategic aims, is an identified operational framework:

- Drive Integrated services – working with the NHS and other partners to improve the scope and quality of services reaching more families
- Support Partnership working – statutory and multi charity
- Respond to more complex and acute conditions – providing increased medical expertise, competencies and skills
- Understanding community need and demand – responding to change, leading on service delivery
- Look for earlier pathway engagement – earlier relationship development creating more referrals

Wessex Children's Hospice Trust

Report of the trustees

For the year ended 31 March 2019

- Grow our reputation – referrals, occupancy, reaching more families, funding, support, recruitment, retention

We place great reliance on committed staff and volunteers, whether they are caring for children, raising money or providing the essential administration. Living our values will continue to be a strong theme as we ensure that everybody, paid or otherwise, is valued and respected for their contribution to our work.

Governance & Public Benefit

The aim of Naomi House & JacksPlace, as stated in its vision, clearly sets out who the beneficiaries are, where they are located and what is being offered to those children, young adults and their families. It is entirely consistent with the charity's objective as set out in its governing document, and statement of purpose.

The Trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning its future activities. In particular, the Trustees consider how planned activities will contribute to the aims and objectives that have been set. Hence, the core policy of the Trustees is to put families at the centre of our work and to support parents, carers, siblings and other family members, as well as the life-limited children, and young adults.

During the year, the Trustees have taken time to review the updated Charity Governance Code and have taken steps to use this guidance, promoted as best practice by the Charity Commission, to inform and support work that is currently underway to strengthen and improve the Trust's governance processes. The Trustees aspire to meet the foundations and seven principles of good governance outlined in the code.

The Trustees have many responsibilities that can be summarised as two overriding objectives:

- The first is to ensure that the Trust is run well in safeguarding and supporting children, young adults and families and by using donations wisely.
- The second is to ensure the long-term stability of the Trust in an increasingly demanding environment of compliance and regulation.

Charity's Key Aims and Purpose:

Naomi House and Jacksplace Hospices provide essential care and support to life-limited and life-threatened children, young adults and their families from across central southern England.

Naomi House and Jacksplace are owned and operated by The Wessex Children's Hospice Trust, whose primary objective is the relief of sickness amongst children and young people. The hospices provide lively and stimulating environments, aiming to enrich and enhance shortened lives.

The Trust provides a comprehensive palliative care service at Naomi House and Jacksplace, including residential respite, community support, emergency respite, end of life care and

Wessex Children's Hospice Trust

Report of the trustees

For the year ended 31 March 2019

bereavement support across the counties of Berkshire, Dorset, Hampshire, Isle of Wight, West Sussex, Surrey and Wiltshire. The Service is open around the clock 365 days of the year. There are 18 permanent bedrooms available across both hospices with an additional three beds in our specialist Long Term Ventilation Unit (LTV).

Emergency and end of life referrals can be taken at any time, day or night. Naomi House has 11 bedrooms available and provides highly complex and intricate care that is unavailable through other local hospice services due to our partnership with University Hospital Southampton (UHS), our training and the technical competencies of our nurses and carers.

Jacksplace is the only dedicated hospice in the south of England that provides day services, residential respite, emergency respite and end of life care for teenagers, young adults and their families. The facilities and atmosphere are significantly different from Naomi House, to provide independence, privacy and dignity for the young people. Jacksplace offers an emergency/family bed in addition to the six main respite bedrooms.

The Long Term Ventilation Unit (LTV) opened in 2017, is a specialist unit designed to support children who have recently become invasively ventilated via a tracheostomy and is delivered through our collaborative working links with The University Hospital of Southampton (UHS). The new LTV unit is a funded service providing commissioners and hospital managers with an alternative to children remaining in hospital for potentially many months.

The hospices are staffed by a highly professional Care team, led by the Director of Care, consisting of qualified paediatric nurses, adult nurses and carers. A family support team; including bereavement counsellors, sibling workers, social workers and chaplains; together with a play team, catering and housekeeping staff, all support them, to provide a high-level of care. We provide specialist medical expertise through a daily doctor's visit from our medical team, led by a Level 4 Paediatric Palliative Care Consultant and consisting of Consultant Paediatricians, Consultant Oncologist, an adult palliative care doctor and GP.

Strategic Report

Key Achievements and Updates 2018–19

Review of Care Services

Our strategic partnership with UHS, continues to grow and develop with more shared roles being developed. We have established shared positions and relationships across a number of specialities – including a Paediatric Palliative Care Clinical Nurse Specialist, rotational physiotherapy positions, sessional Paediatric Respiratory Consultant visits, and an established Service Level Agreement (SLA) for specialist LTV nurses. This year we further added to this joint working relationship, with the appointment of a Neonatal Clinical Nurse Specialist, in response to a growing need in this area.

Wessex Children's Hospice Trust

Report of the trustees

For the year ended 31 March 2019

The number of families supported continues to rise, and the Care team continue to develop new skills and competencies to meet the increased acuity of the referrals. Our Paediatric Palliative Care Consultant, in conjunction with UHS, has developed strong working relationships with the Paediatric Intensive Care Unit (PICU) and paediatric High Dependency Unit (HDU). This continues to deliver a positive effect not only on referrals and our service development plans, but also on our wider working relationship with NHS England. Most importantly, the children and families we support benefit the most by having continuity of care, integrated planning and strong communication links between medical professionals. We have now duplicated this successful model, with a shared Adult Palliative Care Specialist recruited to develop our services at Jacksplace, in a similar way.

Our combined care teams delivered 3,523 bed nights in 2019 (2018: 3,801).

The Trust has appointed a trainee nurse associate in partnership with Solent University. This is an apprenticeship scheme, which takes two years to complete but will hopefully help towards the nursing shortage, in the longer term. It is our intention to expand the number of trainee nurse associates year on year to replace the previous preceptorship programme.

We have successfully secured a pharmacist one day a month to provide oversight, inspection, audit and governance for the nursing and medical teams.

Jacksplace is now the only hospice for young people in the South, since the closure of Douglas House in Oxford. The number of young people with neuromuscular disease attending Jacksplace has significantly increased because of this closure. The adult palliative care doctor is working with UHS to establish a neuromuscular service at the hospice.

As the clinical complexity of the children and young people increases, so too does the need for family support services. In response to this, the team has expanded to include a social worker and student social workers, and trainee ordinands. Also, support groups run throughout the year and include:

- Bereaved parents bi-monthly
- Bereaved grandparents bi-monthly
- Bereaved fathers bi-monthly
- Tots group bi-monthly
- Duchenne Muscular Dystrophy peer support group – runs every school holiday
- Long term conditions parent support group – weekly over ten weeks (pilot)
- Sibling support groups, primary and secondary school ages – once a term

The work that commenced in 2017–18 to introduce paperless clinical care record keeping was completed this year, with the full roll out of The Care Database system, created by Shooting Star Chase (SSC). This digital care database using tablet devices allows the care team to undertake care planning and maintain medical records, leading to more accurate and immediate creation of care reports. We are pleased to be the first children's hospice outside of SSC to implement and go live with this system.

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For the year ended 31 March 2019

Our practice education team, plus our play and activities team are the largest of any children's hospice. Our clinical staff have presented at both national and international conferences for the last three years. The Lead Practice Educator is the Vice Chair of the National Long Term Ventilation forum for children's hospices.

We are participating in a joint research project with the University of Southampton, and hope to get involved in more research work, going forward.

The availability of trained nurses continues to also be one of the biggest challenges to the delivery of our services. A predominantly female workforce and the resultant maternity leave, often with nurses wishing to return to part time hours, compounds this. Also, the number of nurses approaching retirement through the NHS pension scheme has impacted resource levels.

Our community partnership pilot project with Jessie May Hospice in Wiltshire was successfully concluded, at the end of 2018. Our community service in Hampshire no longer provides respite at home due to staffing constraints but is available for emergency support, step down from hospital to home, or via the hospice and supporting community nursing teams at end of life.

This change in service provision reflects the changing case load at Naomi House and Jacksplace. The care of children and young people is increasing in complexity and we are seeing a growing need for admission for symptom management control. We are also experiencing more out of hours and unplanned admissions into the hospice.

Fundraising & Marketing Review

During 2018/19 the charity was celebrating 21 years since first opening our doors – the focus for the year was celebrating a service that is Community led and Community focused as well as being *Passionate and Progressive*. A central focus was recognising the people, groups and organisations that we owe our existence, growth and development to and celebrating and thanking those who have helped shape the organisation and what we do.

In practice, for fundraising, this meant combining business as usual with a series of activities that would engage our key stakeholders throughout the year. Our celebrations began courtesy of the St George's Day club with an exceptional fundraising collection at their annual lunch in The Grosvenor House Hotel. The impassioned appeal for support from our Patron Alastair Stewart OBE, beautifully noted the importance for our charity of the payment of a dozen red Roses every mid-summer and the English Rose, worn by all attending the lunch, as a symbol of pride and unity. On the 21st June, staff and volunteers celebrated at the hospice whilst supporters across the country undertook a number of events from dawn until late afternoon to help raise funds. Events included a dawn climb of Pen Y Fan, bake sales and even an afternoon abseil. Meanwhile almost all of our retail colleagues organised events in their shops to highlight the 21st Year milestone and thank volunteers for all they do to keep the shops open and vibrant.

Report of the trustees

For the year ended 31 March 2019

Other celebratory highlights in the year included a Clay Shoot, a celebration afternoon tea on the Terrace of the House of Commons at our Parliamentary Reception where Patron Alastair Stewart OBE was joined by the mother of one of our children, to hear about the importance of the services we offer. A Summer Soiree was also organised to thank our supporters, attended by Alastair Stewart OBE, Dan Gillespie Sells, Tim Henman OBE, plus many of our volunteers, Ambassadors, corporate sponsors, and local dignitaries.

The autumn saw completion of one of the biggest challenges undertaken in the year when Trustee and serial ultra-challenge competitor Steve Radjen, began his 21in21 Challenge. Steve's ambition was to complete 21 marathons in 21 consecutive days, without a break. Battling an injury that he picked up earlier in the year, Steve not only successfully completed his marathon challenge but, together with a committed committee, organised a celebratory Ball. The exceptional sums raised from this event are testimony not just to the incredible challenge that completing 21 marathons in 21 days truly is, but also reinforces the fundamental importance of our community engagement.

The community element of our service was really highlighted when we held our final celebration event for the year at St Mary's stadium in Southampton. With awards for volunteering and fundraising presented by senior staff members and representatives from the Cornelius-Reed family, a great event was enjoyed by many long standing volunteers and supporters.

As well as undertaking these specific events, we continued to hold events such as the Clarendon Walk and fun-packed Santa Runs which have been an ongoing feature of our fund-raising calendar for many years.

Additionally, we have further extended the use of our social media platforms by providing additional access to families through private groups, mutual support communications and counselling services to meet a growing demand.

Naomi House and JacksPlace online content was viewed 35 million times. This includes people seeing our social content in newsfeeds, watching our videos and visiting our website. A further 252 million views were amassed through traditional print newspapers, online news sources, and blogs. We believe this is helping spread the message about the work we do and engage a new generation of supporters to the Trust.

People Review

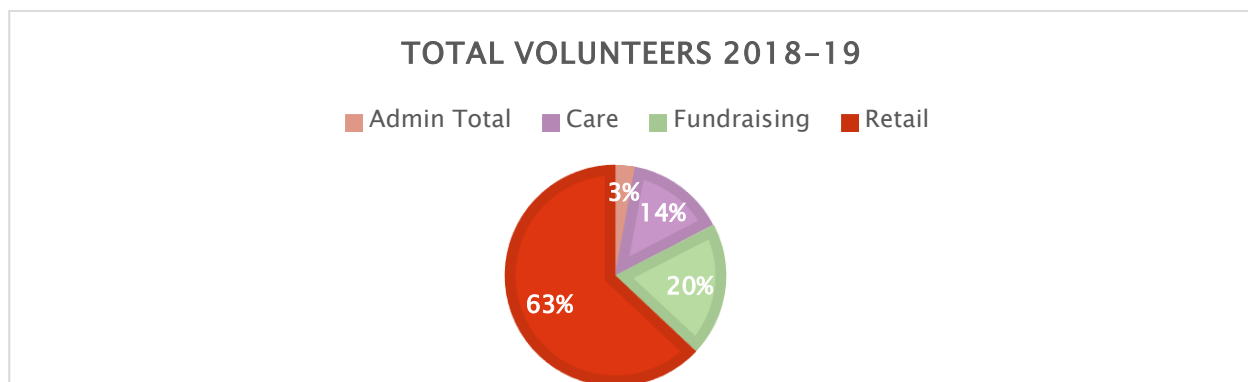
Care staff continue to cause the most pressure and require careful and cooperative management to make the most of our staff numbers and skills. We welcomed five new clinical staff this year, including two Clinical Team Leaders, a Clinical Site Co-ordinator and a Head of Governance. Whilst we still need to build up our number of qualified staff who are able to deliver hands on care, these management appointments have had a very positive impact on our team, the way we work and so therefore the continuation of those important services.

Report of the trustees

For the year ended 31 March 2019

Although we fell outside of the 250 employee threshold for gender pay reporting, we did conduct an analysis of our median and mean salaries. Our mean difference was 11% and median was 0.4%. We continue to manage our costs with close scrutiny of vacancies, process improvements, secondment opportunities and flexible policies, whilst maintaining an attractive reward package.

The organisation relies enormously on the support of its volunteers and we were proud to make a high number of long service awards to our long serving volunteers across the Trust. Approximately 562 volunteers are now performing multiple roles for us, offering an all-round more rewarding experience for them as well as helping us maintain our costs, and all help us to raise awareness of what we do.



In February 2019, the Trust retained its Investors in People accreditation for another three years. The IIP assessor commented on our approach to leadership and the involvement and development of staff, describing the organisation as entrepreneurial and agile. Ninety percent of staff said we were a great place to work where everyone understands our values and wants the organisation to exist long into the future. The Trust is now developing new plans and initiatives to continue to invest in both employed staff and volunteers.

Financial Review

The net movement in funds was £2,139,994, for the year ended 31 March 2019.

The free reserves position at the end of 2019 were higher at £7,572,737 compared to £5,139,780 the previous year (2018).

The Trust received a £368,301(2018:£368,301) grant from NHS England during the year under the Children's Hospice Grant scheme. With only 7% of income received from NHS sources, the Trust relies almost entirely on the generosity of people and organisations in the community.

Total income, excluding unrealised gains on investments, amounted to £10,353,071 in the year ended 31 March 2019 (2018: £8,370,197). The main source of this funding was from donations including legacies. Legacy income, totalled £3,553,191 for 2019 (2018: £1,766,745). This is an unusually high and unexpected level, and for which we are extremely grateful. Although this

Wessex Children's Hospice Trust

Report of the trustees

For the year ended 31 March 2019

legacy income is promised to the charity, it has not all been received. Hence, cash flow was tight at times, and as a result pulls down on our capital reserves necessary, to support the charity's operating outgoings, through the year.

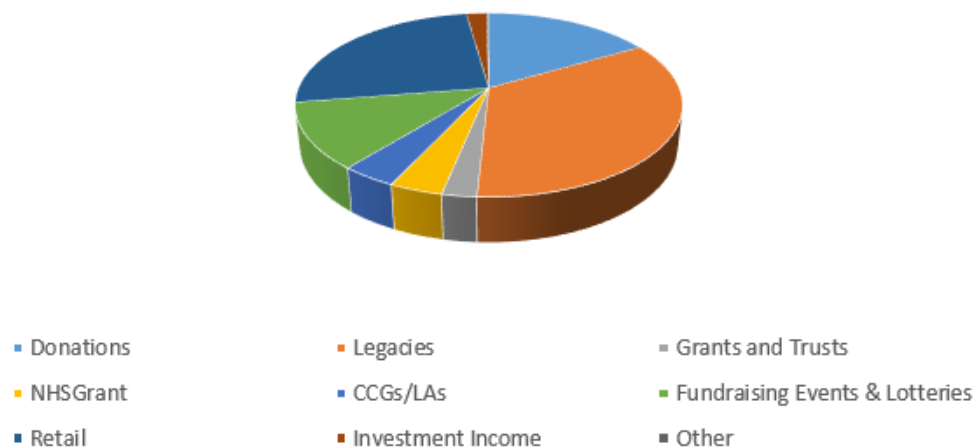
We are closely monitoring the cash position, and the payment of legacies, as within the prepayments & accrued income figure of £4,052,312, the value of the legacies accrued stands at £3,629,102 for 2019, which is exceptionally high.

Our overall cash position at the end of the year was improved at £1,121,739 (2018: £844,903)

Income from CCGs and local authorities though dropped by 33% in FY2019, compared to FY2018 – standing at £320,775 this year versus £476,183 previously.

The Trust operates shops selling donated goods. Our shops also sell bought in goods including Christmas cards on behalf of the Trust's wholly owned trading company, Naomi House Children's Hospice Limited. Shops and merchandising income increased year on year to £2,481,344 (2018: £2,259,591).

Income Split FY2019



Costs were well controlled in the year, and actually fell 2% versus 2018. Spend on charitable activities was 61% (2018: 61%).

Naomi House Children's Hospice Limited operates a Gift Aid on donated goods scheme on behalf of the Trust. Donors are invited to donate the cash raised from the sale of their donated goods to make the donation eligible for Gift Aid. Providing the donor does not ask for the sale proceeds, the Trust can claim Gift Aid on the amount of the proceeds less the commission for selling the goods. The total Gift Aid claimed during the year through this scheme was £248,872 (2018: £160,855).

Wessex Children's Hospice Trust

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For the year ended 31 March 2019

Naomi House Children's Hospice Limited's turnover, for the year was £63,618 (2018: £419,301). This reduction in the turnover of the subsidiary is due to simplifying the management cross-charges. There is an equal and opposite reduction in the management expenditure cross-charge. The management cross-charge remaining, is considered to now be reflective of a fair proportion of the relevant Trust overheads, in selling new goods.

The capital value of the Trust's investment portfolio increased in the year resulting in a net gain on investments of £809,333 (2018: £251,777). The Trust's investment portfolio is managed by an independent fund manager, Veritas, in accordance with the Trust's investment policy. As with all investment portfolios this is subject to market conditions, nonetheless the portfolio manager is targeting a CPI+3% return with no dilution in capital value.

The main concern continues to be the lack of regular sustainable funding for children's hospices, from statutory sources. Statutory funding for children's palliative care at a local level remains patchy and inconsistent. All children's hospices welcomed the announcement, in December 2018, by the Department of Health & Social Care, of planned increased funding for the sector which was followed by the launch of the NHS Long Term Plan. However, there were significant differences between the two announcements, clarity has therefore been sought from NHS England led by Together For Short Lives and Hospice UK. Following a sector wide supporting campaign the efforts to gain greater clarity and surety on the future of the Children's Hospice Grant (CHG) have been successful, with NHS England confirming that funding for children's hospices specifically will rise from £12 million to £25 million by 2024. Although this announcement is welcomed, there remains continuing uncertainty around statutory funding at local level that will potentially lead to further hospice closures, such as the recent announcement that one of Acorn's Children's Hospices, is to close.

Reserves policy

The purpose of reserves is to secure the future of our services and our long-term obligation to the families we support. They also provide protection against unexpected events and fluctuations in income.

In calculating the general reserves, the Trustees have excluded from total funds:

- Restricted income funds £7,905,272
- Endowment funds £10,000
- Unrestricted tangible fixed assets £4,352,231
- Fair value reserve £2,003,443
- Funds designated for special purposes £11,004,900

The Trustees believe it is in the interest of the children, young people and the families we serve that where funds raised exceed the annual running expenses of the hospices, such surpluses should be transferred to reserves.

It is the opinion of the Trustees that it is prudent that the Naomi House and Jacksplace services, require ideally reserves of 18 months, to ensure the continuity of care, in the event of a large

Wessex Children's Hospice Trust

Report of the trustees

For the year ended 31 March 2019

variation in income. The balance at 31 March 2019, of £6.2m on the Naomi House Fund, and £3.9m on the Jacksplace Fund, represents again a coverage of 18 months of care, fundraising and management costs. This position is an improvement over the prior year, where only 15 months of cover was achievable.

The general reserve funds at the end of 2019 are £1,866,983 (2018: £1,066,188)

Fundraising Statement

The Trust employs a team of Fundraisers based at the hospice in Sutton Scotney, who support all the income generation activities for the trust. We also have a Retail operation, which includes a warehouse and 23 shops. The primary areas that generate income include voluntary giving from the community, Retail and a regional lottery, supported by our External Lottery Manager Starvale Management and Technologies Ltd, and the canvassing agency, Link Promotions. Both of these organisations are long-term established partnerships. We maintain a diversified income generation portfolio, to maintain resilience in changing markets.

The organisation is fully committed to upholding the aims and principles of best practice in all income generation activities. The organisation is registered with the Fundraising Regulator (as it was to the Regulators' predecessors) and carries the Regulator logo on the website as a sign of our ongoing commitment to upholding best practice, in the sector. The charity has a Fundraising Promise which is also published on our website. Fundraisers sign a printed copy of the Fundraising Promise, which is displayed in the Fundraising department, and receive regular updates on compliance matters, during bi-weekly team meetings. The Director of Fundraising is the Regional Chairman of the Institute of Fundraising (IoF), so encourages all new fundraisers to undertake IoF Fundraising Foundation courses, within their probation period. The courses provide a basic understanding of the regulatory framework for fundraising. Annual away days focus on implementation of Regulation in relation to operational activity.

Our GDPR policy was agreed by Trustees in March 2018, and new systems and processes were established to ensure that the data we use is relevant and compliant. We undertake all processes when contacting supporters electronically or via Direct Mail in accordance with those policies. We have received three suppression requests via the regulator. None of the requests were from people on our database. We continue to review our compliance with fundraising regulation and GDPR at monthly fundraising management team meetings and at quarterly Fundraising Retail and Marketing Board Sub-Committee meetings.

We received 30 complaints during the year. 20 complaints were associated with our lottery canvassing operation. 10 complaints were associated with our retail activities. All complaints were logged, fully investigated and resolved.

As a charity, with a lottery, as well as an organisation working with a large variety of volunteers, and supporting potentially vulnerable children and young adults, we are very aware of the

Report of the trustees

For the year ended 31 March 2019

importance of ensuring the team is alert to the vulnerability of the people we come in to contact with. Our lottery activities work within the framework of the Gambling Commission guidance. Our Marketing team, are aware of looking for people that are vulnerable in their e-communications and have appropriate escalation processes in place. At events we have a process to ensure that staff and key volunteers, working with anyone identified as vulnerable, is able to ask for support from trained colleagues, without drawing attention to an individual. Volunteers in our retail operation are supported by paid shop managers, who all undertake regular safeguarding training. Each shop also displays a telephone number and email contact for anyone to report concerns, internally. Any calls are dealt with initially by the HR team. In emergency, local teams are guided to call the appropriate emergency service if any life-threatening issue arise.

Third Party Fundraisers undertaking events and activities on behalf of the charity are asked to sign up to a fundraising agreement, which outlines shared expectations around Health and Safety, insurance, gambling regulations, solicitation statements, cash handling and processing of donations. We also explain what the fundraiser can expect from the team, in terms of support and guidance. We acknowledge receipt of over 90% of all donations either electronically, by post, or phone. Most Third Party fundraisers have a point of contact within the team for support and guidance. Where Third Party fundraisers intend to undertake events or activities with a greater degree of risk or exposure to themselves, their participants or the charity, we adjust our guidance accordingly.

Structure, Governance and Management

The organisation is a charitable company limited by guarantee, incorporated on 15 April 1991. The company was established under a memorandum of association, which established the objects and powers of the charitable company and is governed under its articles of association.

The Trust is run by a Board of Trustees, which sets and monitors strategy and policies. The Board delegates authority to deliver the strategy to the Chief Executive and staff. The Board meets quarterly to receive reports of all the principal activities of the Trust. Two special meetings are arranged each year for Trustees to discuss and review the strategy.

In addition, the Trustees have established standing committees, each with its own terms of reference, for finance, income generation, clinical matters, governance, health and safety and remuneration.

Trustees are elected in accordance with the memorandum and articles of association by the members of the Trust. There are currently 36 active members, all of whom have liability limited to £10.

In line with best practice and the Charity Governance Code, the Board continuously seeks to enhance the diversity of its skillset. Trustees are subject to a rigorous interview, probationary

period, and induction to support them in becoming effective members of the Board, working in the best interests of the charity.

Risk Management – Principal risks and uncertainties

A risk register is at the centre of the Trust's risk management process. It is regularly reviewed by the senior management team and scrutinised by committees for onward presentation and approval by the board. Risk management is inherent in all the charity's activities and key risks broadly cover patient care, data protection, finance, fundraising, governance and compliance, health and safety and information technology.

The risk assessment process identified the following major risks:

- Failure to safeguard children and vulnerable adults adequately – this is mitigated through regular safeguard training for both staff and volunteers, DBS checks.
- Significant changes at short notice to funding arrangements and income generation activities – this is mitigated through holding a strong financial reserves position.
- The challenge of recruiting skilled staff, particularly Nurses, affecting our ability to deliver and develop services – this is being managed through looking at new opportunities to hire and train nursing staff, for example through the apprenticeship scheme, and also the establishment of shared service level agreements with NHS hospitals.

Hence, the Trustees have put in place mitigating measures to manage these risks, and monitor the likelihood of these risk events occurring. Hence, it is felt that the financial and reputational impact on the Trust, has been controlled and minimised. Regular review and updates, are managed through the charity's Risk Register.

The Trustees are always particularly conscious of ensuring the safety of children and young people visiting Naomi House and Jacksplace, the overall reputation of Naomi House, and having a solid and reliable financial situation, backed by a variety of fundraising streams to ensure the long-term viability of the Trust. Hence, there are a number of internal governance committees, where reports are prepared, reviewed and discussed, to ensure this.

Clinical governance is overseen by the Clinical Committee. The Fundraising, Retail & Marketing Committee monitors the income streams of the Trust. The Finance, Risk & Audit Committee advises the Board on all finance matters, and makes appropriate recommendations, when required. This includes reviewing the annual accounts and budgets, as well as appraising investment performance. The Governance Committee provides assurance to the Board of Trustees in discharging its responsibility for scrutiny, compliance and probity. The Trust also has an external consultant, on health and safety, which the Trustees receive regular reports from.

Report of the trustees

For the year ended 31 March 2019

Remuneration Policy

The Trust seeks to maintain basic salary at a level that is consistent with its salary policy, but also takes into account other remuneration payments in looking at the overall competitiveness of the remuneration it offers.

For some roles, it is appropriate to offer enhanced payments for working during unsociable hours, especially where this is common practice for such professional groups. For other groups, it may be appropriate to offer additional payment for hours worked over an individual's contractual hours. Such payments are not guaranteed and will only be made following correct authorisation. Time off in lieu will also be considered and offered only with the express approval of the appropriate Head of Function. From time to time special payments or bonuses that reflect individual performance may be offered. Such payments must be linked to specific performance criteria as agreed by the appropriate head of function approved by the Chief Executive and the HR Director.

Future Plans

The strategic direction remains focused on providing excellent care services to the children, young adults, and their families who need us. In order to do this, we are looking to appoint a second Paediatric Palliative Care consultant in the next year, strengthen our successful partnership with the University Hospital Southampton, and drive integrated services.

As the macro-environment, all Hospices are operating in, is becoming more challenging, especially the lack of secure statutory funding, we will continue to lobby the government, healthcare leaders, and other key stakeholders, to look to improve and increase the support given to the children's hospice sector. As we are coming to the end of our current strategic cycle, the Board have met to discuss and outline the future strategic outline, for the next 5 years.

Statement of Trustees' Responsibilities

The Trustees (who are also directors of Wessex Children's Hospice Trust for the purposes of company law) are responsible for preparing the report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

Wessex Children's Hospice Trust

Report of the trustees

For the year ended 31 March 2019

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 enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustees are aware:

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

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

The Trustees undertake and complete training, as defined and required by the Board, and themselves, in order to ensure they can effectively perform their Trustee role.

Auditor

The Board, in line with Charity Commission guidelines, conduct a regular review of professional advisors. The Finance Committee, on behalf of the Trustees, will conduct an external auditor review in autumn 2019. Sayer Vincent have indicated their willingness to continue as statutory auditor to the Trust

The Trustees approved this report, including the strategic report, on 16 July 2019 and it was signed on their behalf by

David Holmes CBE – Chair

Independent auditor's report

To the members of

Wessex Children's Hospice Trust

Opinion

We have audited the financial statements of Wessex Children's Hospice Trust (the 'parent charitable company') and its subsidiary (the 'group') for the year ended 31 March 2019 which comprise the consolidated statement of financial activities, the group and parent charitable company balance sheets, the consolidated statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- Give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 March 2019 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- Have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011

Basis for opinion

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- The Trustees' use of the going concern basis of accounting in the preparation of the group financial statements is not appropriate; or
- The Trustees have not disclosed in the group financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Independent auditor's report

To the members of

Wessex Children's Hospice Trust

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the report of the Trustees, including the strategic report, other than the group financial statements and our auditor's report thereon. Our opinion on the group financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the group financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the group financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the group financial statements or a material misstatement of the other information. 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 report of the Trustees, including the strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements
- The report of the Trustees, including the strategic report, has been prepared in accordance with applicable legal requirements

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and Charities Act 2011 require 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.

Independent auditor's report

To the members of

Wessex Children's Hospice Trust

Responsibilities of Trustees

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's or the parent charitable company's internal control
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees
- Conclude on the appropriateness of the Trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's or the parent

Independent auditor's report

To the members of

Wessex Children's Hospice Trust

charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or the parent charitable company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

This report is made solely to the charitable company's members as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Helen Elliott (Senior statutory auditor)

8 August 2019

for and on behalf of Sayer Vincent LLP, Statutory Auditor
Invicta House, 108-114 Golden Lane, LONDON, EC1Y 0TL

Sayer Vincent LLP is eligible to act as auditor in terms of section 1212 of the Companies Act 2006

Wessex Children's Hospice Trust

Consolidated statement of financial activities (incorporating an income and expenditure account)

For the year ended 31 March 2019

	Note	Unrestricted £	Restricted £	2019 Total £	Unrestricted £	Restricted £	2018 Total £
Income from:							
Donations and legacies	2	5,599,292	529,614	6,128,906	3,370,524	695,804	4,066,328
Charitable activities	3	387,276	-	387,276	586,733	-	586,733
Fundraising Events & Lotteries		1,135,615	-	1,135,615	1,142,962	-	1,142,962
Income from Shops and merchandising		2,481,344	-	2,481,344	2,259,591	-	2,259,591
Investment Income	4	197,593	-	197,593	293,438	-	293,438
Other		22,337	-	22,337	21,145	-	21,145
Total income		9,823,457	529,614	10,353,071	7,674,393	695,804	8,370,197
Expenditure on:							
<i>Generating Funds</i>							
Voluntary Income	5	1,189,674	-	1,189,674	1,343,535	-	1,343,535
Operating Shops	5	2,215,198	-	2,215,198	2,171,952	-	2,171,952
Investments	5	92,661	-	92,661	100,258	-	100,258
<i>Charitable Activities</i>							
Naomi House	5	2,866,975	252,148	3,119,123	2,443,572	430,821	2,874,393
Jacksplace	5	1,389,997	75,600	1,465,597	1,472,628	187,110	1,659,738
Long Term Ventilation Unit (new)	5	140,242	-	140,242	50,733	-	50,733
Community & Family Support	5	768,152	31,763	799,915	927,404	37,795	965,199
Total expenditure		8,662,899	359,511	9,022,410	8,510,082	655,726	9,165,808
Net income/(expenditure) before net gains on investments	6	1,160,558	170,103	1,330,661	(835,689)	40,078	(795,611)
Net gains on investments		809,333	-	809,333	251,777	-	251,777
Net movement in funds		1,969,891	170,103	2,139,994	(583,912)	40,078	(543,834)
Reconciliation of funds:							
Total funds brought forward		17,277,469	7,735,169	25,012,638	17,861,381	7,695,091	25,556,472
Total funds carried forward		19,247,360	7,905,272	27,152,632	17,277,469	7,735,169	25,012,638

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 22 and 23 to the financial statements.

Balance sheets

Company no. 2601495

As at 31 March 2019

	Note	The group		The charity	
		2019	2018	2019	2018
		£	£	£	£
Fixed assets:					
Tangible assets	11	11,674,623	12,131,856	11,674,623	12,131,856
Investment properties	12	700,000	700,000	700,000	700,000
Investments	13	10,064,034	10,121,305	10,064,036	10,121,307
		<u>22,438,657</u>	<u>22,953,161</u>	<u>22,438,659</u>	<u>22,953,163</u>
Current assets:					
Stocks	16	10,655	14,460	-	-
Debtors	17	4,212,565	1,908,217	4,217,055	1,979,999
Cash at bank and in hand		1,121,739	844,903	1,108,100	772,992
		<u>5,344,959</u>	<u>2,767,580</u>	<u>5,325,155</u>	<u>2,752,991</u>
Liabilities:					
Creditors: amounts falling due within one year	18	(630,984)	(708,103)	(630,985)	(699,349)
		<u>5,344,959</u>	<u>2,767,580</u>	<u>5,325,155</u>	<u>2,752,991</u>
Net current assets	20	4,713,975	2,059,477	4,694,170	2,053,642
Total net assets		<u>27,152,632</u>	<u>25,012,638</u>	<u>27,132,829</u>	<u>25,006,805</u>
Funds:					
Restricted income funds	22	7,895,272	7,725,169	7,895,272	7,725,169
Endowment Funds		10,000	10,000	10,000	10,000
Unrestricted income funds:					
Designated funds		15,357,131	14,603,777	15,357,131	14,603,777
Fair value reserve		2,003,443	1,601,671	2,003,443	1,601,671
General funds		1,866,983	1,066,188	1,866,983	1,066,188
Trading Subsidiary Funds		19,803	5,833	-	-
Total funds		<u>27,152,632</u>	<u>25,012,638</u>	<u>27,132,829</u>	<u>25,006,805</u>

Approved by the trustees on 16 July 2019 and signed on their behalf by

David Holmes CBE
Chair

Wessex Children's Hospice Trust

Consolidated statement of cash flows

For the year ended 31 March 2019

	Note	2019 £	£	2018 £	£
Cash flows from operating activities					
Net cash used in operating activities	24		(664,119)		(999,394)
Cash flows from investing activities:					
Dividends, interest and rents from investments		197,593		293,438	
Proceeds from the sale of fixed assets		5,000		10,642	
Purchase of fixed assets		(128,242)		(268,830)	
Proceeds from sale of investments		2,544,407		2,897,196	
Purchase of investments		(1,660,572)		(2,679,364)	
Movement of liquid resources		(17,231)		565,321	
Net cash provided by investing activities			940,955		818,403
Change in cash and cash equivalents in the year			276,836		(180,991)
Cash and cash equivalents at the beginning of the year			844,903		1,025,894
Cash and cash equivalents at the end of the year			1,121,739		844,903

1 Accounting policies

a) Statutory Information

WCHT is a charitable company limited by guarantee and is incorporated in England & Wales. The registered office and principal place of business is Stockbridge Road, Sutton Scotney, Winchester, SO21 3JE.

b) 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 2015) – (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (August 2014) and the Companies Act 2006.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

These financial statements consolidate the results of the charitable company and its wholly-owned subsidiary Naomi House Children's Hospice Ltd on a line by line basis. Transactions and balances between the charitable company and its subsidiary have been eliminated from the consolidated financial statements. Balances between the two companies are disclosed in the notes of the charitable company's balance sheet. A separate statement of financial activities, or income and expenditure account, for the charitable company itself is not presented because the charitable company has taken advantage of the exemptions afforded by section 408 of the Companies Act 2006.

c) Public benefit entity

The charitable company meets the definition of a public benefit entity under FRS 102.

d) Going concern

The trustees consider that there are no material uncertainties about the charitable company's ability to continue as a going concern.

Key judgements that the charitable company has made which have a significant effect on the accounts include taking into consideration the commitments under shop leases relating to the network of 25 shops.

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

e) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

For legacies, the charity reviews entitlement, probability of receipt and the ability to accurately measure the value due. Entitlement to legacy income is recognised at the earliest of receipt of a legacy estate distribution or notification of date of death along with the existence of an uncontested will. Legacies are accrued on these conditions if the income due can be accurately estimated based on information received in the will and statement of assets or other notification by the executors of the will.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

1 Accounting policies (continued)

f) Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

g) Fund accounting

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

h) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds relate to the costs incurred by the charitable company in inducing third parties to make voluntary contributions to it, as well as the cost of any activities with a fundraising purpose
- Expenditure on charitable activities includes the costs of running the Naomi House and Jacksplace hospices together with the provision of support for the families of the referred children and young people.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

i) Allocation of support costs

Resources expended are allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned on the following basis which are an estimate, based on staff time, of the amount attributable to each activity.

Where information about the aims, objectives and projects of the charity is provided to potential beneficiaries, the costs associated with this publicity are allocated to charitable expenditure.

Support and governance costs are re-allocated to each of the activities on the following basis which is an estimate, based on staff time, of the amount attributable to each activity

- | | |
|----------------------------------|-------|
| ● Costs of generating income | 15% |
| ● Costs of merchandising & shops | 24% |
| ● Costs of investments | 1% |
| ● Naomi House | 31% |
| ● Jacksplace | 18% |
| ● LTV | 0.5% |
| ● Community & Family Support | 10.5% |

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.

1 Accounting policies (continued)

j) Operating leases

Rental charges are charged on a straight line basis over the term of the lease.

k) Tangible fixed assets

Items of equipment are capitalised where the purchase price exceeds £2,500. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The useful lives are as follows:

● Leasehold Land	Over period of lease
● Leasehold Buildings	50 years
● Building Improvements	10 years
● Fixtures & Fittings	5 years
● Motor Vehicles	4 years
● Computer Equipment	3 years

1 Accounting policies (continued)

l) Investment properties

Investment properties are measured initially at cost and subsequently included in the balance sheet at fair value. Investment properties are not depreciated. Any change in fair value is recognised in the statement of financial activities and any excess of fair value over the historic cost of the investments will be shown as a fair value reserve in the balance sheet. The valuation method used to determine fair value will be stated in the notes to the accounts.

Listed 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 quoted market price. Any change in fair value will be recognised in the statement of financial activities and any excess of fair value over the historic cost of the investments will be shown as a fair value reserve in the balance sheet. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading "Net gains/(losses) on investments" in the statement of financial activities. The charity does not acquire put options, derivatives or other complex financial instruments.

Investments in subsidiaries

Investments in subsidiaries are at cost.

m) Stocks

Stocks are stated at the lower of cost and net realisable value. In general, cost is determined on a first in first out basis and includes transport and handling costs. Net realisable value is the price at which stocks can be sold in the normal course of business after allowing for the costs of realisation. Provision is made where necessary for obsolete, slow moving and defective stocks.

n) Debtors

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.

o) Cash at bank and in hand

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

1 Accounting policies (continued)

p) 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.

q) Pensions

The Trust operates two pension schemes. The first is a defined contribution pension scheme, the assets of which are held independently from those of the company. Expenditure made through the Statement of Financial Activities represents the contributions arising in the year.

The second scheme is a final salary multi-employer pension plan which is available for certain employees only. It is not possible to identify separately the assets and liabilities relating to Wessex Children's Hospice Trust for the purposes of FRS 102 disclosure. As neither the Trust nor its employees are liable to pay any additional sums towards a funding shortfall, which is met directly by the Exchequer, pension contributions are accounted for in the year in which they become payable. See note 19 for more details.

2 Income from donations and legacies

	Unrestricted £	Restricted £	2019 total Total £	Unrestricted £	Restricted £	2018 Total £
Donations	1,635,336	18,044	1,653,380	1,366,368	117,342	1,483,710
Legacies	3,356,541	196,650	3,553,191	1,766,745	-	1,766,745
Grants and Trusts	239,114	314,920	554,034	237,411	210,161	447,572
NHS England Children's Hospices Grants Programme	368,301	-	368,301	-	368,301	368,301
	<u>5,599,292</u>	<u>529,614</u>	<u>6,128,906</u>	<u>3,370,524</u>	<u>695,804</u>	<u>4,066,328</u>

3 Income from charitable activities

	Unrestricted £	Restricted £	2019 total Total £	Unrestricted £	Restricted £	2018 Total £
CCGs	316,437	-	316,437	432,083	-	432,083
Local Authorities	4,338	-	4,338	44,100	-	44,100
Individuals	53,400	-	53,400	98,300	-	98,300
Other	13,101	-	13,101	12,250	-	12,250
	<u>387,276</u>	<u>-</u>	<u>387,276</u>	<u>586,733</u>	<u>-</u>	<u>586,733</u>

4 Income from investments

	Unrestricted £	Restricted £	2019 total Total £	Unrestricted £	Restricted £	2018 Total £
Veritas Investment Management	191,106	-	191,106	238,942	-	238,942
KSF Dividends	-	-	-	34,852	-	34,852
Other	6,487	-	6,487	19,644	-	19,644
	<u>197,593</u>	<u>-</u>	<u>197,593</u>	<u>293,438</u>	<u>-</u>	<u>293,438</u>

Wessex Children's Hospice Trust

Notes to the financial statements

For the year ended 31 March 2019

5a Analysis of expenditure (current year)

	Costs of generating Income £	Costs of operating shops £	Cost of Investments £	Charitable activities				Governance Costs £	Support Costs £	2019 Total £	2018 Total £
				Naomi House £	Jacksplace £	LTV £	Community & Family Support £				
Staff costs (Note 7)	470,927	969,444	-	2,015,031	717,448	27,977	560,564	-	466,496	5,227,887	5,275,259
Other staff costs	7,409	15,143	-	203,270	156,044	72,355	54,946	1,921	144,344	655,432	669,118
Direct costs	520,612	118,614	-	39,192	42,453	2,340	86,375	-	40	809,626	837,267
Facilities & maintenance	6,337	700,033	-	196,977	178,852	1,291	4,964	-	9,653	1,098,107	1,219,017
Depreciation	3,028	105,094	-	256,539	186,084	22,137	9,097	-	3,204	585,183	581,139
Overhead costs	61,389	83,466	-	93,566	36,918	-	3,302	17,537	266,681	562,859	492,483
Cost of Investments	-	-	83,316	-	-	-	-	-	-	83,316	91,525
	1,069,702	1,991,794	83,316	2,804,575	1,317,799	126,100	719,248	19,458	890,418	9,022,410	9,165,808
Governance costs	2,566	4,777	200	6,727	3,161	302	1,725	(19,458)	-	-	-
Support costs	117,406	218,627	9,145	307,821	144,637	13,840	78,942	-	(890,418)	-	-
Total expenditure 2019	1,189,674	2,215,198	92,661	3,119,123	1,465,597	140,242	799,915	-	-	9,022,410	
Total expenditure 2018	<u>1,343,535</u>	<u>2,171,952</u>	<u>100,258</u>	<u>2,874,393</u>	<u>1,659,738</u>	<u>50,733</u>	<u>965,199</u>				<u>9,165,808</u>

5b Analysis of expenditure (prior year)

	Costs of generating Income £	Costs of operating shops £	Cost of Investments £	Charitable activities						2018 Total £
				Naomi House £	Jacksplace £	LTV £	Community & Family Support £	Governance Costs £	Support Costs £	
Staff costs (Note 7)	499,847	957,575	-	1,786,551	829,248	-	615,110	-	586,928	5,275,259
Other staff costs	9,383	12,446	-	290,256	178,222	11,882	114,015	2,257	50,657	669,118
Direct costs	594,645	57,560	-	47,683	24,594	3,055	109,730	-	-	837,267
Facilities & maintenance	9,826	695,237	-	194,860	245,519	20,245	30,555	-	22,775	1,219,017
Depreciation	3,368	98,042	-	250,185	187,556	11,130	8,226	-	22,632	581,139
Overhead costs	109,432	161,895	-	54,473	50,021	2	3,485	4,978	108,197	492,483
Cost of Investments	-	-	91,525	-	-	-	-	-	-	91,525
	1,226,501	1,982,755	91,525	2,624,008	1,515,160	46,314	881,121	7,235	791,189	9,165,808
Governance costs	1,061	1,715	79	2,268	1,310	40	762	(7,235)	-	-
Support costs	115,973	187,482	8,654	248,117	143,268	4,379	83,316	-	(791,189)	-
Total expenditure 2018	1,343,535	2,171,952	100,258	2,874,393	1,659,738	50,733	965,199	-	-	9,165,808

6 Net income/(expenditure) for the year

This is stated after charging / (crediting):

	2019 £	2018 £
Depreciation	560,500	581,138
Profit on disposal of fixed assets	(4,707)	(9,890)
Trustees' indemnity insurance	3,920	4,250
Operating lease rentals:		
Property	454,604	488,612
Auditor's remuneration (excluding VAT):		
Audit – group	13,650	13,250
Audit – subsidiary	1,450	1,400
	<u>560,500</u>	<u>581,138</u>

7 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

Staff costs were as follows:

	2019 £	2018 £
Salaries and wages	4,483,005	4,515,038
Redundancy and termination costs	2,070	42,297
Social security costs	417,181	423,136
Employer's contribution to defined contribution pension schemes	210,118	171,669
Employer's contribution to defined benefit pension schemes	115,513	123,119
	<u>5,227,887</u>	<u>5,275,259</u>

Redundancy and termination costs were made to two employees in total in FY2019 (2018: six).

The following number of employees received employee benefits (excluding employer pension costs and employers NI) during the year between:

	2019 No.	2018 No.
£60,000 – £69,999	1	2
£70,000 – £79,999	1	1
£80,000 – £89,999	–	1
£90,000 – £99,999	1	–
	<u>4</u>	<u>4</u>

The total employee benefits including pension contributions and employers NI of the key management personnel were £407,926 (2018: £434,151).

The charity trustees were neither paid nor received any other benefits from employment with the charity in the year (2018: £nil). No charity trustee received payment for professional or other services supplied to the charity (2018: £nil).

No expenses were paid for, or reimbursed to, trustees in this year (2018: £nil).

8 Staff numbers

The average number of employees (head count based on number of staff employed) during the year was as follows:

	2019 No.	2018 No.
Care	101	100
Fundraising	16	16
Retail & Merchandising	56	58
Management & Administration	12	14
	<u>185</u>	<u>188</u>

9 Related party transactions

Donations received from Trustees & SMT members and their families amounted to £3,861 (2018: £1,413). There were no other third party transactions to disclose for 2019 (2018: None).

Alison Richardson, trustee since 10 October 2017 is an employee of the University of Southampton and holds an honorary employment contract with the University Hospital Southampton NHS Foundation Trust (UHSNHSFT). The University places students on placements and may collaborate with the Charity on research projects. The Charity may purchase education and training from the University to support staff development. The Charity has service level agreements with the UHSNHSFT with respect to the provision of medical, nursing and allied health professional support from staff who are employees of UHSNHSFT. The Charity cares for children and their families who are also under the medical supervision of UHSNHSFT.

10 Taxation

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes. The charity's trading subsidiary Naomi House Children's Hospice Limited gift aids available profits to the parent charity so it has no tax charge.

11 Tangible fixed assets**The group and charity**

	Leasehold Property £	Fixtures and fittings £	Computer equipment £	Motor vehicles £	Total £
Cost					
At the start of the year	13,588,114	1,014,447	218,759	256,260	15,077,580
Additions in year	-	69,130	10,388	48,724	128,242
Disposals in year	-	-	-	(24,975)	(24,975)
At the end of the year	13,588,114	1,083,577	229,147	280,009	15,180,847
Depreciation					
At the start of the year	1,965,935	693,044	154,236	132,509	2,945,724
Charge for the year	342,653	131,671	42,338	68,520	585,182
Eliminated on disposal	-	-	-	(24,682)	(24,682)
At the end of the year	2,308,588	824,715	196,574	176,347	3,506,224
Net book value					
At the end of the year	11,279,526	258,862	32,573	103,662	11,674,623
At the start of the year	11,622,179	321,403	64,523	123,751	12,131,856

All of the above assets are used for charitable purposes.

12 Investment properties

	The group		The charity	
	2019 £	2018 £	2019 £	2018 £
Fair value at the start of the year	700,000	700,000	700,000	700,000
Fair value at the end of the year	700,000	700,000	700,000	700,000
Historic cost at the end of the year	700,000	700,000	700,000	700,000

The Trustees have taken advice from an internal valuer, a qualified surveyor, and the property is considered to be fairly valued as at 31 March 2019. Following the year-end, the trustees are to review the use of the property and to consider whether it should be transferred to operational fixed assets.

13 Listed investments

	The group		The charity	
	2019	2018	2019	2018
	£	£	£	£
Fair value at the start of the year	9,450,686	9,416,741	9,450,688	9,416,743
Additions at cost	1,660,572	2,679,364	1,660,572	2,679,364
Disposal proceeds	(2,544,407)	(2,897,196)	(2,544,407)	(2,897,196)
Net gain on change in fair value	809,333	251,777	809,333	251,777
	9,376,184	9,450,686	9,376,186	9,450,688
Cash held by investment broker pending reinvestment	687,850	670,619	687,850	670,619
Fair value at the end of the year	10,064,034	10,121,305	10,064,036	10,121,307
Historic cost at the end of the year	8,060,591	8,825,591	8,060,591	8,825,591
Investments comprise:				
	The group		The charity	
	2019	2018	2019	2018
	£	£	£	£
Unlisted Shares in UK registered companies	-	-	2	2
Shares listed on various Stock Exchanges	6,452,579	6,584,550	6,452,579	6,584,550
Fixed Interest	2,923,605	2,866,136	2,923,605	2,866,136
Cash holdings within investment funds	687,850	670,619	687,850	670,619
	10,064,034	10,121,305	10,064,036	10,121,307

14 Subsidiary undertaking

The charitable company owns the whole of the issued ordinary share capital of Naomi House Children's Hospice Limited, a company registered in England. The subsidiary is used for non-primary purpose trading activities. All activities have been consolidated on a line by line basis in the statement of financial activities. Available profits are gift aided to the charitable company. A summary of the results of the subsidiary is shown below:

	2019	2018
	£	£
Turnover	63,618	419,301
Cost of sales	(28,192)	(33,149)
Gross profit	35,426	386,152
Administrative expenses	(20,998)	(373,757)
Other operating income	5	16
Profit on ordinary activities before interest & taxation	14,433	12,411
Interest payable	(465)	(347)
Profit on ordinary activities before taxation	13,968	12,064
Taxation on profit on ordinary activities	-	-
Profit for the year and total comprehensive income	13,968	12,064
Changes in equity		
Total equity brought forward (restated)	18,335	63,771
Total comprehensive income for the year	13,968	12,064
Gift Aid distribution to parent charity	(12,500)	(57,500)
Total equity carried forward	19,803	18,335
The aggregate of the assets, liabilities and reserves was:		
Assets	30,619	102,208
Liabilities	(10,816)	(83,873)
Reserves	19,803	18,335

Included within administrative expenses above is a management charge of £20,871 (2018: £338,640) from the parent entity.

15 Parent charity

The parent charity's gross income and the results for the year are disclosed as follows:

	2019 £	2018 £
Gross income	11,099,246	8,554,145
Result for the year	2,126,024	(543,397)

16 Stocks

	The group		The charity	
	2019	2018	2019	2018
	£	£	£	£
Goods for Resale	10,655	14,460	-	-

17 Debtors

	The group		The charity	
	2019	2018	2019	2018
	£	£	£	£
Prepayments & accrued income	4,052,312	1,587,836	4,052,312	1,580,136
Amounts due from subsidiary undertaking	-	-	10,816	83,400
Other debtors	160,253	320,381	153,927	316,463
	4,212,565	1,908,217	4,217,055	1,979,999

The amount due from subsidiary is receivable in over one year.

18 Creditors: amounts falling due within one year

	The group		The charity	
	2019	2018	2019	2018
	£	£	£	£
Taxation and social security	102,918	102,541	102,918	103,570
Other creditors & accruals	528,066	605,562	528,067	595,779
	630,984	708,103	630,985	699,349

19 NHS Pension scheme

The group operates a defined contribution pension scheme for certain qualifying employees and contributes up to 8% of basic salary matching employee contributions. The total pension contributions payable in the year were £298,738 (2018: £282,195). There were £24,400 outstanding contributions at the year end, (2018: £23,708).

The Charity also operates an NHS Pension Scheme. The scheme is an unfunded, defined benefit scheme that covers NHS employees, general practices and other bodies, allowed under the direction of the Secretary of State, in England and Wales. The scheme is not designed to be run in a way that would enable each body to identify its share of the underlying scheme assets and liabilities. Therefore the scheme is accounted for as if it were a defined contribution scheme.

In order that the defined benefit obligations recognised in the financial statements do not differ materially from those that would be determined at the reporting date by a formal actuarial valuation, the FReM (Government Financial Reporting Manual) requires that "the period between formal valuations shall be four years, with approximate assessments in intervening years". An outline of these follows:

a) Accounting valuation

A valuation of scheme liability is carried out annually by the scheme actuary (currently the Government Actuary's Department) as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period, and is accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as at 31 March 2019, is based on valuation data as 31 March 2018, updated to 31 March 2019 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used.

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

b) Full actuarial (funding) valuation

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

The latest actuarial valuation undertaken for the NHS Pension Scheme was completed as at 31 March 2016. The results of this valuation set the employer contribution rate payable from April 2019. The Department of Health and Social Care have recently laid Scheme Regulations confirming their intention that the employer contribution rate will increase to 20.6% of pensionable pay from this date. However, this is still subject to consultation.

The total pension contributions payable in the year were £219,396 (2018: £233,318). There were 18,307 outstanding contributions at the year end, (2018: £19,214)

20 Analysis of group net assets between funds (current year)

	General unrestricted £	Designated funds £	Restricted funds £	Total funds £
Tangible fixed assets	-	4,352,231	7,322,392	11,674,623
Investment properties	-	700,000	-	700,000
Investments	2,003,443	8,050,591	10,000	10,064,034
Net current assets	1,886,786	2,254,309	572,880	4,713,975
Net assets at 31 March 2019	3,890,229	15,357,131	7,905,272	27,152,632

21 Analysis of group net assets between funds (prior year)

	General unrestricted £	Designated funds £	Restricted funds £	Total funds £
Tangible fixed assets	-	4,653,777	7,478,079	12,131,856
Investment properties	-	700,000	-	700,000
Investments	1,601,671	8,509,634	10,000	10,121,305
Net current assets	1,072,021	740,366	247,090	2,059,477
Net assets at 31 March 2018	2,673,692	14,603,777	7,735,169	25,012,638

22 Movements in funds (current year)

	At the start of the year £	Incoming resources & gains £	Outgoing resources & losses £	Transfers £	At the end of the year £
Restricted funds:					
Fixed Asset Fund – Jacksplace	5,478,650	-	(158,418)	2,731	5,322,963
Fixed Asset Fund – Naomi House	1,999,429	-	-	-	1,999,429
Jacksplace Fund	101,250	103,100	(75,601)	-	128,749
Bereavement & Family Support	-	31,763	(31,763)	-	-
Hospice Running Costs	-	169,532	(74,532)	-	95,000
Buildings & Facilities	400	196,674	-	-	197,074
Diversion Therapies	145,440	28,545	(19,197)	(2,731)	152,057
Endowment Fund	10,000	-	-	-	10,000
Total restricted funds	7,735,169	529,614	(359,511)	-	7,905,272
Unrestricted funds:					
Designated funds:					
Fixed Asset Fund	4,653,777	125,511	(426,764)	(293)	4,352,231
Naomi House Fund	5,200,000	970,000	-	-	6,170,000
Jacksplace Fund	3,590,000	310,000	-	-	3,900,000
Capital Development Fund	360,000	-	(80,100)	-	279,900
Retail Operations Fund	800,000	-	(145,000)	-	655,000
Total designated funds	14,603,777	1,405,511	(651,864)	(293)	15,357,131
Fair value reserve	1,601,671	-	-	401,772	2,003,443
General funds	1,066,188	9,227,279	(8,025,005)	(401,479)	1,866,983
Non-charitable trading funds	5,833	-	13,970	-	19,803
Total unrestricted funds	17,277,469	10,632,790	(8,662,899)	-	19,247,360
Total funds	25,012,638	11,162,404	(9,022,410)	-	27,152,632

22 Movements in funds (current year) – continued

Purposes of restricted funds

Restricted funds can only be expended in accordance with the donors' specific instructions. The purpose of each fund is as follows:

Fixed Asset Fund – Jacksplace

The net book value of restricted fixed assets purchased with restricted funds & predominantly relates to the Jacksplace hospice.

Fixed Asset Fund – Naomi House

This represents the refurbishment cost funded by restricted funds.

Jacksplace Fund

Funds received specifically to meet the running costs of Jacksplace.

Bereavement & Family Support

This represents funds related to the running costs of the bereavement suites and family support services.

Hospice Running Costs

This denotes donations received to pay for care staff and the direct costs of running both hospices.

Building & Facilities

This fund relates to donations received explicitly to meet the costs of improving and maintaining hospice facilities.

Diversion Therapies

This covers the cost of the wide range of therapies, play and activities which enrich the children and young adults stays.

Endowment Fund

This was donated to the Trust to be held as investment cash to generate income from interest.

Purposes of designated funds

The designated funds comprise:

Fixed Asset Fund

This is the net book value of unrestricted Tangible Fixed Assets. This mainly represents the Naomi House building and equipment.

Naomi House Fund

Children's hospice services are expensive to run and the families are highly dependant on the Trust providing uninterrupted services from initial referrals right through to end of life.

Our funding is highly dependant on private rather than government sources. The trustees have to ensure that there are sufficient reserves to keep our Naomi House hospice open and running to capacity.

This fund ensures that a continued service can be delivered in the event of an unforeseen income disruption. This would include a failure of fundraising arising from changes in sentiment, relationships and reputation.

The trustees have calculated that a reserve to secure 18 months running costs of the Naomi House hospice (and the related community & family services) would ensure continuity in the event of a large variation in income. The balance at 31 March 2019 of £6.2m represents 18 months of Care, Fundraising and Management costs.

Jacksplace Fund

Similar to Naomi House above. This is to ensure that a continued service can be delivered in the event of an unforeseen income disruption. The fund should represent 18 months running costs of the Jacksplace young adult's hospice to ensure continuity in the event of a large variation in income.

The balance at 31 March 2019 of £3.9m represents 18 months of Care, Fundraising and Management costs.

Capital Development Fund

This reserve represents the capital expenditure included in the anticipated strategic plan 2016–20 agreed by the trustees in 2016. The £279,000 represents the investment for the year ahead and will be used to for medical equipment, facility upgrades, ICT projects, and improvements to Jacksplace gardens.

Retail Operations Fund

The trustees are aware of the Trust's future obligations under non-cancellable operating leases. This reserve recognises the future financial obligations arising from the retail leases as detailed in note 25.

Fair value reserve

This represents the net unrealised gains on investments.

23 Movements in funds (prior year)

	At the start of the year £	Incoming resources & gains £	Outgoing resources & losses £	Transfers £	At the end of the year £
Restricted funds:					
Fixed Asset Fund – Jacksplace	5,481,605	–	(156,229)	153,274	5,478,650
Fixed Asset Fund – Naomi House	1,999,429	–	–	–	1,999,429
Jacksplace Fund	128,443	11,931	(10,681)	(28,443)	101,250
Bereavement & Family Support	–	29,295	(29,295)	–	–
Hospice Running Costs	–	451,290	(451,290)	–	–
Buildings & Facilities	23,544	9,033	(340)	(31,837)	400
Diversion Therapies	52,070	194,255	(7,891)	(92,994)	145,440
Endowment Fund	10,000	–	–	–	10,000
Total restricted funds	7,695,091	695,804	(655,726)	–	7,735,169
Unrestricted funds:					
Designated funds:					
Fixed Asset Fund	4,963,882	–	(424,909)	114,804	4,653,777
Naomi House Fund	5,800,000	–	–	(600,000)	5,200,000
Refurbishment Fund	3,900,000	–	–	(310,000)	3,590,000
Jacksplace Fund	400,000	–	–	(40,000)	360,000
Capital Development Fund	900,000	–	–	(100,000)	800,000
Retail Operations Fund	–	–	–	–	–
Total designated funds	15,963,882	–	(424,909)	(935,196)	14,603,777
Fair value reserve	1,142,100	459,571	–	–	1,601,671
General funds	749,130	7,466,599	(8,084,737)	935,196	1,066,188
Non-charitable trading funds	6,269	–	(436)	–	5,833
Total unrestricted funds	17,861,381	7,926,170	(8,510,082)	–	17,277,469
Total funds	25,556,472	8,621,974	(9,165,808)	–	25,012,638

24 Reconciliation of net income/(expenditure) to net cash flow from operating activities

	2019 £	2018 £
Net income/(expenditure) for the year (as per the statement of financial activities)	2,139,994	(543,834)
Depreciation charges	585,182	581,138
Gains on investments	(809,333)	(251,777)
Dividends and interest from investments and rental income	(197,593)	(293,438)
Profit on the disposal of fixed assets	(4,707)	(9,890)
Decrease/(Increase) in stocks	3,805	(8,220)
(Increase) in debtors	(2,304,348)	(757,287)
(Decrease)/Increase in creditors	(77,119)	283,914
Net cash used in operating activities	(664,119)	(999,394)

25 Operating lease commitments

The group's and charity's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods:

	Property 2019 £	2018 £
Less than one year	343,900	306,220
Two to five years	305,030	387,360
Over five years	5,622	80,137
	654,552	773,717

26 Contingency Note

In the year ended 31 March 2010, Hampshire PCT awarded a capital grant of £1,500,000 towards the construction cost of Jacksplace. The Grant Agreement and underlying Charge operate for an unlimited duration; therefore the potential to repay the Grant will remain indefinitely. The Grant can be required to be repaid mandatorily in a number of circumstances such as the Trust ceasing to be a charity or Jacksplace ceasing to be used for the provision of hospice services.

27 Legal status of the charity

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £10.