

Registered number: 02601495 (England and Wales)

Charity number: 1002832

WESSEX CHILDREN'S HOSPICE TRUST

(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

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(A company limited by guarantee)

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**REFERENCE & ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISORS
FOR THE YEAR ENDED 31 MARCH 2021**

Company Number	02601495 (England and Wales)	
Charity number	1002832	
Registered office	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:	
	Mrs Faith Ramsay	Chair
	Mr Julian Cracknell	Vice Chair (appointed 8 July 2021)
	Mr Steve Radjen	
	Dr Michael Miller	
	Mr Julian Walker	
	Mrs Sam Nicolson	Treasurer
	Mr Shaun Southern	
	Mrs Alison Richardson	(resigned 10 December 2020)
	Mr Robin Hassan	
	Mr Rob Simpson	
	Mrs Nicola Redfern	
	Ms Lucinda Smith	(appointed 26 January 2021)
	Ms Julie Dawes	(appointed 26 January 2021)
	Ms Jane Ferguson	(appointed 26 January 2021)
	Ms Helen Burrows	
Key Management Personnel	Mr Mark Smith	Chief Executive Officer
	Mrs Lesley Brook	Director of Care/Deputy CEO
	Ms Claire Imhofe	Director of Finance/Secretary (resigned 31 August 2020)
	Mrs Katie Lumsden	Director of Finance (appointed 1 February 2021)
	Ms June Morton	Director of Human Resources
	Mr Paul Morgan	Director of Fundraising & Communications
Bankers	Royal Bank of Scotland Plc Drummond House, 1 Redheughs Avenue, Edinburgh EH12 9JN	Barclay's Bank Plc PO Box 612, Ocean Way, SO14 2ZP
Solicitors	Blake Morgan New Kings Court, Tollgate Chandlers Ford SO23 9DA	Gardner Leader White Hart House 24 Market Place, Newbury RG14 5BA
Independent Auditor	Crowe U.K. LLP Aquis House 49-51 Blagrove Street Reading Berkshire RG1 1P	

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CHAIRMAN'S STATEMENT
FOR THE YEAR ENDED 31 MARCH 2021

A Message from the Chair

I am pleased to present the Annual Report and Accounts for Wessex Children's Hospice Trust known as Naomi House and Jackspace, Hospices for children and young adults who live with life-limiting and life-threatening conditions and their families.

The last year has been one of the most challenging we have all faced as individuals, families, communities, organisations and as a nation due to the Coronavirus pandemic. For the children, young people and their families that Naomi House & Jackspace are here to support, the year has been particularly hard with many families and young people facing lengthy periods of shielding and isolation. Due to Government restrictions throughout lockdown periods, we were forced to cease our planned respite stays for families although remained open for end of life care, symptom management, step down care from hospital and supportive and emergency respite care for families in most need of support.

Our Family Support Team has been busier than ever providing remote support and counselling services to families by phone, email and Zoom meetings. Our Play and Activities Team have also been supporting families by arranging many different creative play packs to send to families and by also arranging play activities and sessions online and through some community visits when permitted. Through the increased frequency and volume of contact, we have been able to identify those families who may need further support and have offered supportive or emergency respite stays.

In the early days of the pandemic, we supported our local NHS organisations too by providing the opportunity for patients to be discharged to Jackspace from hospital therefore freeing NHS beds when in the height of the first wave of the pandemic. Since then, we have continued to be on standby to assist our NHS colleagues and have helped children, young people and their families avoid hospital admissions by enabling them to receive care here at the hospices when possible to do so.

Amid all of the uncertainty and changes to our short-term plans as a result of COVID-19, our new strategy for the period 2020-2025 was launched in April, the underlying themes of which still remain. Our strategic aims are to provide outstanding services to the families we support; to be financially sustainable for the foreseeable future; and to be an integral part of the local healthcare environment. I am pleased to report that we have made progress in all these areas which will be covered in more depth later in this report.

At the beginning of the year, our financial forecast looked incredibly challenging, with all of our Retail network closing and the majority of our fundraising activities and events either postponed or cancelled. As the year progressed however, we were able to make use of all the support made available by HM Government as a result of COVID-19 including the Retail Grant Scheme and Rate Relief, the Job Retention Scheme and in particular, grants from NHSE through Hospice UK. The NHSE awarded funding to allow the hospice to make available bed capacity and community support from April 2020 to July 2020 to provide support to people with complex needs in the context of the COVID-19 situation and to provide bed capacity and community support from November 2020 to March 2021 for the same purpose.

Our Fundraising Team and Retail colleagues also rose to the challenges presented throughout the year by adapting their plans and activities to continue generating funds wherever possible and by keeping in touch with donors individually and in groups through many different virtual meetings and events. Our Shops have performed well when they have been able to open and have been well supported through significant volumes of donated stock. Although income has been significantly lower than in a normal year, income generation has performed ahead of expectation and combined with close monitoring of expenditure, we have finished the year in a strong financial position producing a surplus for the year. We recognise that there are still challenging times ahead as our fundraised income recovers however,

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FOR THE YEAR ENDED 31 MARCH 2021

we are well placed to support activities with the aim of returning our income generation to pre COVID-19 levels.

As we look forward to a year full of optimism beyond COVID-19, we will double our efforts to re-establish a full range of services for families to use and continue to develop our aims and ambitions for better access to specialist paediatric palliative care services for the families who need them. We have made progress this year by working with our neighbouring children's hospices to explore ways of working together towards this aim and are also pleased to be an active member of the Hampshire and Isle of Wight Hospice Collaborative Group. This Group will work together with local NHS and statutory bodies with the aim of supporting and contributing to improved services to all families who need palliative care across the South Central Region.

Everyone at Naomi House & Jacksplace is dedicated to providing excellent services to the children, young adults and their families, who need us despite the financial and operational challenges we are all facing as a result of COVID-19. At this time therefore, I would like to take the opportunity to thank all our staff and volunteers for their hard work and dedication to making Naomi House & Jacksplace the wonderful place it is. They have faced the challenges of COVID-19 with courage, resilience and adaptability and a focus on making sure that we do the utmost to support both those in our immediate care and the wider community.

We are only able to provide the services we do due to the continued support of individuals, groups, trusts and companies in the community with the majority of our income coming from voluntary sources, legacies and through our shops and lottery programme. Therefore, I would like to thank everyone who has supported us in the past, we couldn't do what we do, without your generous donations.



Faith Ramsay
Chair of the Board of Trustees

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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2021

The Trustees are pleased to present their annual report and accounts of the Charity and its subsidiary for the year ending 31 March 2021.

The accounts have been prepared in accordance with:

- the Charities Act 2011
- the Companies Act 2006
- the Memorandum and Articles of Association (incorporated on 15 April 1991, last amended 1 October 2013)
- 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)

Vision and Mission

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 (The Charity's Objectives)

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

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 and Public Benefit

The Trustees hold legal responsibility for setting the strategy of the charity and for ensuring the group complies with the Companies Act, Charities Act and Statement of Recommended Practice. The Trustees delegate the day to day operational management of the charity to the Chief Executive and the Senior Management Team to facilitate the effective delivery of the charity's aims and objectives and to ensure compliance with all regulatory requirements.

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.

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FOR THE YEAR ENDED 31 MARCH 2021

- The second is to ensure the long-term sustainability of the Trust in an increasingly demanding environment of financial uncertainty, compliance and regulation further compounded by the effects of the global pandemic.

As a Board we are confident that, whilst uncertainty remains around income and the continuance of the effects of COVID-19, the immediate and foreseeable future of the organisation is secure.

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 from 0 years to young adults up to 35 years and their families. It is entirely consistent with the charity's objective as set out in its governing document, and statement of purpose. Services are delivered free of charge to beneficiaries and are also provided under funded arrangements with Statutory bodies.

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. 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.

Structure 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 Risk & Audit, Fundraising Retail & Marketing, Healthcare Governance, Trust Governance and People & Culture which also incorporates health and safety and remuneration.

Trustees are elected in accordance with the memorandum and articles of association by the Trustee Members of the Trust. There are currently 14 Trustee Members who hold voting rights and 24 Advisory 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 recruited following open advertisement, 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. This includes formal Trustee Training with our professional legal advisors and through online training courses. In the year, we have seen one Trustee step down and three new Trustees joining the board strengthening our clinical expertise and also the crucially important role of parent Trustee to ensure our service users are represented on the board.

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FOR THE YEAR ENDED 31 MARCH 2021

Strategic Report

The financial year 2020-21 saw the Trust's activities significantly interrupted by the Coronavirus Pandemic which is outlined later in this report, however we continued to make progress on our strategic objectives during the year. Our new 2020-2025 Strategy was launched at the beginning of the year although was overshadowed by global events. Nevertheless, our strategic direction continued from our previous strategy and so we have managed to make progress in a number of significant areas.

A number of the key objectives set and the progress towards them included;

- **Recruit a 2nd Level 4 Paediatric Palliative Care Consultant (PPCC) – Achieved**
 - The 2nd PPCC was agreed with University Hospitals Southampton with a Locum Consultant in post from Sept 19 to March 20 and the permanent appointment made in April 2020
 - Our original L4 PPCC post holder, Dr Michelle Koh, moved to a new position in Sept 20 and we were pleased to be able to appoint Dr Tim Warlow to the vacant position maintaining 2 L4 PPCC

- **Become the Regional Paediatric Palliative Care Specialist Provider in association with UHS – Progress made**
 - Naomi House is now the regional specialist hospice providing services not available at other children's hospices in the region. With the establishment of the 2nd PPCC role, we are now in a position to work with our fellow children's hospices in the region to extend access to Specialist Paediatric Palliative Care Consultant (SPPCC) advice
 - Naomi House and Chestnut Tree House in Chichester entered into a Memorandum of Understanding in Jan 2021 to facilitate working together to extend the SPPCC service to the east of the region

- **Working collaboratively across the Hampshire & Isle of Wight (HIOW) region to make progress towards the aims of the NHS Long Term Plan and be an active partner in the development of the Integrated Care System (ICS) and establishment of a Managed Clinical Network – Progress made**
 - Naomi House & Jacksplace are in regular dialogue with merging Clinical Commissioning Group representatives as the healthcare landscape evolves into the ICS model
 - Naomi House & Jacksplace is a member of the developing HIOW Hospice Collaborative Group consisting of the independent adult and children's hospices in the HIOW ICS region support the development of the evolving Palliative & End of Life Care Boards

We have also made progress in our aim to reduce our recurring deficit budget position and have a surplus year end position along with significant unrealised investment gains further strengthening our financial position. The Trustees are confident that with this strong base and continued community support along with our strategy to be an active partner in the development of integrated and collaborative ways of working across the voluntary and statutory organisations, we are well positioned for a sustainable future.

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FOR THE YEAR ENDED 31 MARCH 2021

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 safeguarding 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.

The Trustees have put in place mitigating measures to manage these risks and monitor the likelihood of these risk events occurring. 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 and through review by internal governance committees.

Clinical governance is overseen by the Clinical Committee monthly and Healthcare Governance Committee quarterly. The Fundraising, Retail & Marketing Committee monitors the income streams of the Trust. The Finance, Risk & Audit Committee advises the Board on all finance and risk 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 and have this year introduced a new People & Culture Committee.

Care Services Review

As for all providers the 2020/21 year has been challenging. 30 January 2020 saw the World Health Organisation declare an outbreak of Coronavirus as a 'Public Health Emergency of International Concern', and a 'pandemic' on 11 March 2020. This pandemic declaration shaped the services that we were able to provide to children, young people and their families over the last year, led to new ways of delivering services and also changed the way we raised funds and generated income. Difficult decisions had to be made, often at short notice, due to the ever changing guidance that was being received whilst ensuring that the maintenance of high quality standards throughout was at the centre of our decision making and actions.

In the early stages of the Pandemic the decision was made to close both hospices to respite services but take a child out of the high risk hospital environment and support them in house whilst a long term placement was sourced. The Trust also agreed to provide a service to adult NHS patients to free up hospital capacity, these patients were no longer requiring acute services and were transferred into Jackspace to support their ongoing rehabilitation until they were fit for their discharge destination. End of life and emergency referrals continued to be accepted during this time. All adult patients had been discharged by early May and our support in this role was no longer required. At this point services were transferred back to Naomi House to facilitate planned works being undertaken in Jackspace and

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FOR THE YEAR ENDED 31 MARCH 2021

support families who had been identified by us or other healthcare professionals as requiring emergency support.

Throughout the year we have continued to support families at end of life and post death. This has been particularly important to families where siblings and the extended family have had limited access in the hospitals due to COVID-19 restrictions. Our space and facilities have given these families the opportunity to spend some time together and make memories that weren't possible in other settings.

As usual the staff pulled out all the stops to accommodate family wishes where able, including Christmas in October Naomi House style!

The pandemic has given us the opportunity to review how we deliver some of our services and the Family Support Team have been busier than ever continuing to support people initially via virtual platforms and telephone, moving to socially distanced meetings as and when restrictions allowed. All teams have learnt to be flexible in their contact methods and provide support in ways we would previously not have considered. Additional models of supporting people have also been commenced such as providing play sessions in the community for those not in full time education/college or accessing other services for play community visits.

We now have two established Paediatric Palliative Care Consultants and an Adult Associate Specialist. Their joint working between the hospices and University Hospital Southampton ensures that we have good links with acute services and has enabled us to identify children and young people that would benefit from additional services. This has included step down from hospital following an extended, or traumatic stay, to support transition home or admission to the hospices for symptom management avoiding a hospital admission. Their involvement in planning is likely to shape the future development of the services alongside the clinical management team.

The introduction of a Neuromuscular Clinic, alternate months, at Jacksplace has been very well received by both clinicians and service users. This allows young men with neuromuscular conditions, such as Duchenne Muscular Dystrophy, to be seen by a variety of clinicians in the one setting in one day. Feedback has been very positive and particularly appreciated at this time due to the avoidance of having to attend the hospital setting in such uncertain times.

This year has seen us review our eligibility criteria and develop an eligibility assessment tool that supports us in ensuring that the same criteria for acceptance, or discharge, is applied to all service users.

The integration of two electronic systems, i Want Great Care (iWGC) and Vantage continues. i Want Great Care allows us to collect anonymous feedback from service users and their families to identify where changes and improvements can be made to services. Vantage, a risk management software system, supports the electronic reporting of incidents. Both systems ensure that potential problems can be identified and followed up early and learning cascaded to address any gaps or concerns.

Fundraising, Retail and Marketing Review

The benefit of hindsight is that we can look back on the entirety of the year and see both the individual elements as well as the overall impact of the pandemic on our effectiveness as fundraisers, managers, colleagues and as a team. Like everyone else, the last year brought a raft of challenges and opportunities. The only certainty was at the beginning of the financial year when we had to discard, or place on hold, carefully crafted plans and schedules as we were all called upon to flex and adapt according to the prevailing need or permitted way of working at any one time.

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Initially, many presumed the impact of the pandemic might possibly stretch out as far as the summer. However, as we continued to evolve and be shaped by the rolling development in knowledge and understanding of what would and would not be possible or permitted, so too our plans and options began to grow as short-term needs adapted to meet the longer-term challenges. Whilst plans may have had to become more fluid, the overriding outcome from the year is that the team collectively needed to remain pragmatic and flexible - adapting to circumstance and maximizing every opportunity that arose.

An early decision in adapting to the impact of COVID was as awareness that the reactive approach that we had adopted in the first few weeks of the pandemic was not sustainable. Our focus needed to become strategic and planned. Plans were quickly improvised so that we could adjust ways of giving for people to give and support as they wanted to.

One of the most visible immediate impacts from Lockdown was on the Retail sales operation. Our retail colleagues stoically wanted to keep trading for as long as possible, but it quickly became clear that what was hoped for and what was practicable or safe was on two entirely separate plains. When lockdowns eased, like other charity retail operations, we saw an increase in the number of goods being donated to our warehouse. It is pleasing to report that we were fortunate that the quality of the goods remained relatively high throughout the period.

A standard part of our fundraising portfolio is the range of challenge and physical events that we offer supporters throughout the year. A refreshed Clarendon Way Walk was planned for 2020 incorporating a night walk. Due to COVID, this element, together with some other planned events had to be postponed. However, the team were focused on delivery of a COVID Safe event and managed to achieve safe delivery of a controlled Clarendon Way Walk in September with 232 participants and over £70,000 raised.

The team were early adopters of the London Marathon alternative event The 2.6 Challenge. We had over 48 people raise £18,000. A series of daily evening gigs throughout Lockdown 1 cumulatively raised over £10,000 for the charity. Each performer generously donated their time and talents and helped lift the spirits of all those who logged in to watch and enjoy the gigs. Other innovations included a variety of virtual events such as the online Mexican Night, our Celebration of Christmas and our Christmas Party all delivered by the team from the hospices using the newfound skills on Zoom. Overall, the learnings of the year spanned several areas including better use of data, increased flexibility in taking events and campaigns to supporters and better use of digital giving channels to empower supporters to give in the ways that suit their lifestyles.

The final major learning of the year was the success of our first direct mail activity for several years. Focused on the practical impact of COVID over the year, our summer and Christmas campaigns highlighted the impact of the pandemic on the services we offer and the children and families we support. Although no one could have expected the year to develop as it has, the fundraising and income generation teams have adapted as required and our supporters have continued to demonstrate the trust, faith, and support for the work of the charity.

Fundraising Statement

The charity employs a team of Fundraisers based at the Hospices in Sutton Scotney. The team are line managed by function and oversee all aspects of income generation for the charity. We also have a retail operation made up of a warehouse, 21 shops, and a mix of paid and volunteer delivery drivers. The team is overseen by the Head of Retail who reports to the Director of Fundraising and Communications. The income for the charity includes voluntary giving from the Community, Retail and an established Lottery operation which is supported by our External Lottery Manager – Starvale Management and Technologies Ltd. During the year our canvassing of new lottery players was subcontracted to Local Fundraising Ltd.

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FOR THE YEAR ENDED 31 MARCH 2021

Naomi House & Jackspace is registered with the Fundraising Regulator and carries the Fundraising Regulator Logo on the website as a sign of our ongoing commitment to the principles and aims of that body and sector best practice.

Fundraisers receive regular training and updates to the development of new regulatory changes through a combination of regular team training sessions, 1:1's and induction training. The Director of Fundraising continues to act as Chair of the regional association of the Chartered Institute of Fundraising and regularly offers the team opportunities to join or take part in free or low-cost training and peer to peer networking sessions. All new fundraisers are encouraged to take the Chartered Institute of Fundraising's Fundraising Foundation Course.

The Fundraising Management team continually monitor guidance and regulations from the Charity Commission, the Fundraising Regulator and the Gambling Commission. Specifically, we review information relating to GDPR, data protection and the Gambling activities.

In the past year we have not received any suppression requests from the Regulator. All complaints that we receive in relation to income generation activities are reviewed by the Board Sub-Committee responsible for Fundraising Retail and Marketing on a quarterly basis. We received a total of 18 Complaints – all of which were investigated and resolved.

As we have a Lottery, we are alert to the needs of vulnerable people and use the framework from the Gambling Commission and the Code of Fundraising Practice to guide our approach to dealing with any such individual or group. In the retail operation each shop has a manager and assistant who undertake regular training in these areas supported by Relief Managers, our volunteer coordinator and the HR partner. Each shop displays information on contacts for anyone to report concerns.

We provide Third party fundraisers with a fundraising agreement. This sets out expectations in regard of health and safety arrangements together with information for insurance, cash handling etc. We acknowledge donations electronically or by post and provide receipts on controlled stationery for staff involved in cash collections.

Human Resources Review

The year has been dominated by the Pandemic which has had a major impact on the working lives of everyone across the world. At the start on the financial year, we placed over 70 of our staff on furlough as the first national lockdown began. As the year unfolded, we had to furlough more of our staff, hitting the 100 mark at one time with some colleagues from every department being unable to work due to the outbreak. Our criteria has been simple: if your job has temporarily disappeared due to the impact of Coronavirus, we will ask you to accept a period of furlough. No colleague refused to be placed on furlough and once we were able to take advantage of flexi furlough, all but four colleagues accepted these arrangements. Both staff and the managers who have to plan work rotas have demonstrated considerable flexibility during these stressful and uncertain times. We have remained in contact with staff, both working and furloughed, throughout the year with over 50 Trust wide newsletters, Zoom social gatherings and numerous individual calls and e-mails and bulletins from the Chief Executive, Chair of the Board of Trustees and Divisional Heads.

Despite the benefit of the furlough scheme, we have had to declare a small number of roles redundant but we have also been able to successfully redeploy some staff. Recruitment over the last year was very limited and we ended the year with 159 staff (excluding bank staff), 20 fewer than at the start. Notable appointments have been a new Head of Marketing and an internal promotion into the role of Director of Finance.

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Like most employers, we swiftly moved to a home working arrangement when lockdown was announced. Staff adjusted to this very well and as a result, we have agreed to embrace a "hybrid" model, allowing office based staff to work up to 40% of their time from home by agreement. Our staff survey conducted with our Investors in People partner in August indicated that there was no desire to move to total homeworking and in fact, staff reported that they missed the office atmosphere and the social support they received from their colleagues.

Volunteering was sadly very badly impacted by the pandemic and the restrictions. With all our shops closed for long and repeated periods, and no household mixing allowed, we have had fewer opportunities for our loyal teams of volunteers. Moreover, Shop volunteer numbers have reduced as many of our elderly colleagues have spent the year shielding. At present we have approximately 200 active shop volunteers and are hoping to increase that to 350 in the year ahead. Hospice based volunteering has been more difficult to manage. As a clinical environment we have discouraged non-essential visitors and indeed asked our office staff to work from home where possible. Our office procedures continue to change which means many previous volunteer tasks are no longer required. Our garden and maintenance volunteers have returned to the premises with vigour and we hope to identify more opportunities for our communities to support fundraising initiatives once the current restrictions are finally lifted.

The Pandemic placed further pressure on our finances and the Board of Trustees made a decision to postpone a planned pay increase for 2020-21. Staff salaries were therefore not increased in the financial year, for staff at any level, including the five members of the Senior Management Team (SMT). For reference, the SMT pay is traditionally reviewed annually in March along with all other staff. The Trust aims to offer a competitive salary and compares rates of pay to counterpart level roles from other charities or similar sized organisations. Salary increases for the SMT are approved by the Board. It was agreed to top up furlough pay (from 80% to 100% and to national minimum wage) for a limited period to ease the financial pressure on those colleagues whose roles had been impacted via the pandemic. After a whole year of uncertainty and disruption for our employees, the Trustees agreed a pay award of 1.5%, effective from April 2021.

We have appointed two new clinical Trustees from an open recruitment campaign and we approached a parent of a former service user to join the Board as Parent Trustee.

Financial Review

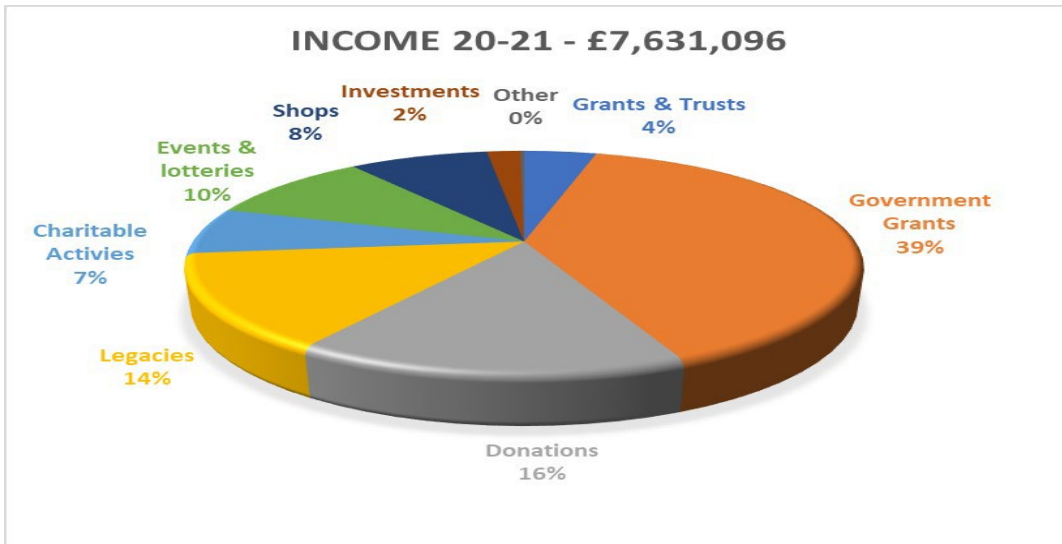
Despite significant uncertainty at the start of the financial year due to the ongoing pandemic, we have achieved a healthy surplus of £2,745,218 for the year-ending 31 March 2021, much of this surplus £2,233,082 has resulted from good investment performance. Total funds held are £28,734,326 (2020: £25,989,108).

COVID-19 has impacted Naomi House and Jackspace, as it has the rest of the UK and world. We have been fortunate to receive significant aid from the NHS and government to support our activities throughout the year, enabling us to maintain our income levels to continue to deliver services and ensure a sustainable future.

Total income for the year ending 31 March 2021 amounted to £7,631,096 (2020: £7,516,015).

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NHS England have supported our services through the Children's Hospice Grant Scheme with an annual grant of £602,676 (2020: £414,469). Income from Clinical Commissioning Groups (CCGs) was £416,590 (2020: £731,312) in 2020 we had two children who had extensive long-term stays.

During the year we've utilised emergency government funding to mitigate the fall in income due to the pandemic. The NHSE awarded funding to allow the hospices to make available bed capacity and community support from April 2020 to July 2020 to provide support to people with complex needs in the context of the COVID-19 situation and to provide bed capacity and community support from November 2020 to March 2021 for the same purpose.

COVID-19 Grants	Total £
NHSE Grant (Emergency and Bed Capacity)	£1,203,333
COVID-19 Retail Grants	£310,605
Government Job Retention Scheme	£880,640
Total COVID-19 Grant Support	£2,394,578

On the 1 April 2020 the Trust had a network of 23 shops selling donated goods and a small quantity of bought in goods. The retail network had significant disruption during the year with the imposed local and national lockdown restrictions. Many of our landlords have been supportive and allowed favourable payment terms and, in some cases, a rent reduction. Unfortunately, despite this support we exited our Waterlooville shop in the last quarter of the year and our Hythe shop has closed in Q1 of 2021/22.

Naomi House Children's Hospice Limited is a wholly owned subsidiary of the Trust. The subsidiary is the agent for the Retail Gift Aid scheme along with carrying out all trading activities. All profits from the trading activities can be gift aided to the Trust, subject to HMRC regulation, benefiting the charity by reducing any corporation tax liability on trading activities.

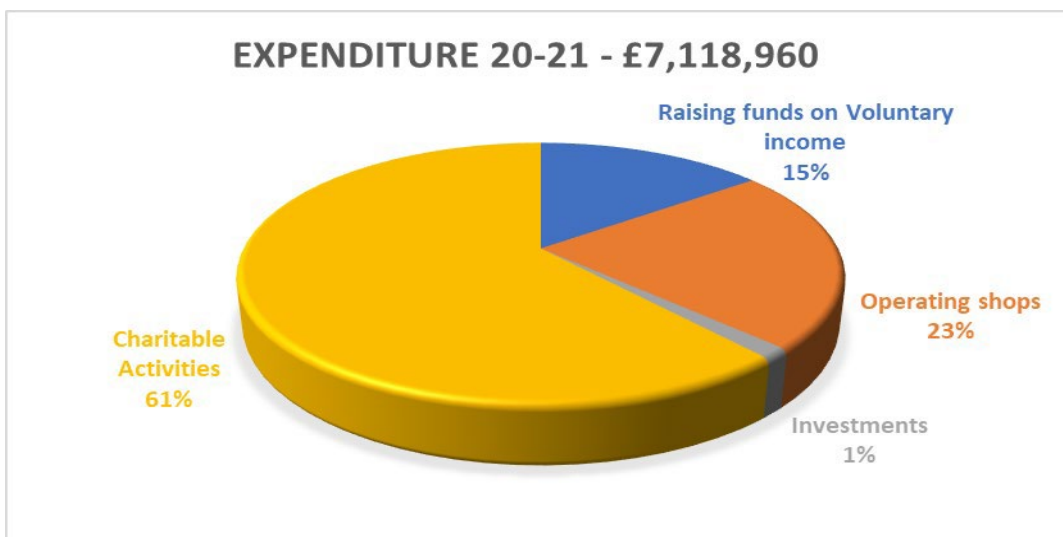
Shops and merchandising income totalled £613,365 (2020: £2,235,794) this decline demonstrates the impact of COVID-19, a reduction of 73% of income compared to the prior year. Retail Gift Aid claimed from HMRC during the year was £33,848 (2020: £185,016). During the year we continued to utilise Retail Government support including business rate reductions, local restriction support grants and circuit break lockdown grants.

WESSEX CHILDREN'S HOSPICE TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

Naomi House Children's Hospice Limited turnover, for the year was £9,080 (2020: £13,846). Income is low due to limited ability to run the Retail Gift Aid Scheme with enforced shop closures for a major portion of the year.

During a year of uncertainty, it was imperative that we worked to increase our efficiency and control our costs. Annual costs for the year totalled £7,118,960 compared to £8,300,475 in 2020, a reduction of 14%.



Investments

The Trust's investments totalled £12,599,635 as at 31 March 2021. The capital value of the Trust's investment portfolio increased by £2,233,082 (2020: decrease of £228,998).

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. The investment manager's objectives are "real returns on a rolling 5-year view with an emphasis on capital growth with income". The performance aim is to outperform UK CPI +3% net of all costs over the medium term (5 years). Despite the global pandemic our portfolio has achieved 59.4% return over a rolling five-year period compared to UK CPI+3% at 25%.

Reserves policy

The purpose of the reserves is to secure the future of our services and our long-term obligation to the children, young people and families we support. Our reserves ensure that we can sustain periods where our income is unpredictable and allows us to absorb our forecast deficit of £448,000 in 2021/22.

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 variation of income. The balance at the 31 March 2021, of £4,486,000 for the Naomi House Designated Fund and £4,029,000 for the Jacksplace Designated Fund, represents a coverage of 18 months of care, and fundraising costs.

WESSEX CHILDREN'S HOSPICE TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

Our unrestricted reserves total £21,739,735, of which £14,653,174 has been designated for specific purposes.

Total Fund	£28,734,326	100%
Less Restricted Funds (including endowment)	£6,994,591	24%
Less Designated Fixed Asset Fund	£4,730,574	17%
Less Designated Reserves	£9,922,600	35%
Free Reserves – Revaluation Reserve	£3,539,044	12%
Free Reserves – Non-charitable trading funds	£6,574	0%
Free Unrestricted Reserves	£3,540,943	12%

The general unrestricted reserves fund at the 31 March 2021 is £3,540,943 (2020: £2,613,382). The increase has occurred due to the in-year surplus and investment gains.

Financial Sustainability including COVID-19 considerations

On behalf of the Board the Finance Risk and Audit Committee (FRAC) has undertaken a detailed review of the cashflow forecasts, unrestricted reserves and investments position of the group in response to the COVID-19 pandemic and the risks this places on income generation in the immediate and medium-term future. The FRAC has reported to the Board to assure Trustees of the sustainability of the group and considered the level of reserves, the liquidity and resilience of the organisation's financial position and ability to create a sustainable future.

As at 31 March 2021 the consolidated Wessex Children's Hospice Trust financial statements are reporting funds totalling £28,734,326 of which £7,086,561 would be freely available to use if the need arises.

A review of our liquidity and resilience shows:

- Bank balance of £2,889,190 at 31 March 2021
- Unrestricted investments of £12,589,635 at 31 March 2021
- Utilisation of Government grants including the Job Retention Scheme of £880,640 and Retail Grants of £310,605 in 2020/21 and £82,668 associated to restart grants in 2021/22
- Confirmation of no claw backs for NHSE (Hospice UK) grants
- Care service review

The Board of Trustees recognise that there continues to be uncertainty over the level of income achievable in the next year and has taken this into consideration when reviewing the group's sustainability and status as a going concern. In addition to the financial information set out above, Trustees have also considered;

- Strength within the Senior Management Team to adapt to new challenges
- Excellent and long-standing relationships that have been built with Charitable Trusts, Supporters and statutory sector organisations who provide funds for the Charity
- £14.5m held in Investments and £2.1m held in Cash at the end of July 2021
- Cashflow forecast to March 2023 showing a positive cash balance of £1m without accessing investment reserves and based on realistic and prudent assumptions

Trustees have, therefore, concluded that the group is in a sustainable position for the foreseeable future and will continue to review, monitor and act as necessary to remain so.

WESSEX CHILDREN'S HOSPICE TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

Strategy 2020-25

In the next five years, our strategic priorities are to:

- **Continue to Make a Difference to Families Everyday**
 - Provide high quality care services and be here for families when they need us
- **Afford our Ambitions**
 - Increase our income and manage costs to develop services in a sustainable way
- **Be at the Forefront of a Changing Healthcare Landscape**
 - Maximise the opportunities presented by the NHS Long Term Plan to work more collaboratively together with other providers to improve services for children, young people, young adults, and their families.

The NHS Long Term Plan published in January 2019 outlines the changing healthcare landscape. This will see the provision of services across larger geographical areas and movement towards the NHS, CCGs, Local Authorities, and public and voluntary service providers working together through Strategic Transformation Partnerships (STPs). This should lead to the development of Integrated Care Systems (ICSs) to improve service delivery and funding. It outlines the need to deliver services through Managed Clinical Networks (MCNs), encouraging a system wide approach to the delivery of high quality CYP palliative care services that meet families' needs.

The revised NHS England Children's and Young Peoples (CYP) Palliative Care Service Specification sets out the framework for delivering a comprehensive palliative care service across all service providers. We will work with UHS and the NHS more broadly, Specialist Palliative Care Consultants, Paediatricians, Community Nursing Teams, Commissioners, other hospices, and charity providers to work toward delivering the service standards as specified across the region.

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 judgments 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
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

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, to ensure they can effectively perform their Trustee role.

Auditor

Crowe U.K. LLP have indicated their willingness to continue as statutory auditors to the Trust.

The Trustees approved this report, including the strategic report on 5th October 2021 and it was signed on their behalf by



Faith Ramsay - Chair

WESSEX CHILDREN'S HOSPICE TRUST
(A company limited by guarantee)

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 subsidiaries (the 'group') for the year ended 31 March 2021 which comprise the Consolidated Statement of Financial Activities, the Consolidated balance sheet, the Company balance sheet, the Consolidated statement of cash flows and the related notes, 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 2021 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; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our

WESSEX CHILDREN'S HOSPICE TRUST
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WESSEX CHILDREN'S HOSPICE TRUST
(CONTINUED)

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 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.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report including the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report and the Strategic Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report including the Strategic Report.

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

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

Responsibilities of trustees

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

In preparing the financial statements, the Trustees are responsible for assessing the Group's and 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

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

WESSEX CHILDREN'S HOSPICE TRUST
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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WESSEX CHILDREN'S HOSPICE TRUST
(CONTINUED)

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.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team member]. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charitable company and group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006, the Charities Act 2011, together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's and the group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company and the group for fraud. The laws and regulations we considered in this context for the UK operations were the Gambling Commission, CQC Regulations and General Data Protection Regulations.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be with the completeness and accuracy of income and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, and the Finance, Risk and Audit Committee about their own identification and assessment of the risks of irregularities, designing audit procedures over income, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

WESSEX CHILDREN'S HOSPICE TRUST
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WESSEX CHILDREN'S HOSPICE TRUST
(CONTINUED)

Use of our report

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



Janette Joyce (Senior statutory auditor)

for and on behalf of

Crowe U.K. LLP

Statutory Auditor

Aquis House

49-51 Blagrove Street

Reading

Berkshire

RG1 1PL

Date: 2 November 2021

WESSEX CHILDREN'S HOSPICE TRUST
(A company limited by guarantee)

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2021

	Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income from:					
Donations and legacies	3	3,582,405	2,011,672	5,594,077	3,273,767
Charitable activities	4	511,127	-	511,127	811,112
Other trading activities:					
Fund raising events and lotteries		749,301	-	749,301	895,102
Income from shops and merchandising		613,365	-	613,365	2,235,794
Investments	5	147,280	-	147,280	269,946
Other income		15,946	-	15,946	30,294
Total income		5,619,424	2,011,672	7,631,096	7,516,015
Expenditure on:					
Raising funds:					
Voluntary income	6	1,042,858	-	1,042,858	1,283,123
Operating shops		1,610,859	-	1,610,859	2,315,898
Investments		93,273	-	93,273	99,798
Charitable activities	7	1,817,789	2,554,181	4,371,970	4,601,656
Total expenditure		4,564,779	2,554,181	7,118,960	8,300,475
Net income/(expenditure) before net gains/(losses) on investments		1,054,645	(542,509)	512,136	(784,460)
Net gains/(losses) on investments	13	2,233,082	-	2,233,082	(228,998)
Net movement in funds		3,287,727	(542,509)	2,745,218	(1,013,458)
Reconciliation of funds:					
Total funds brought forward	18	18,452,008	7,537,100	25,989,108	27,002,566
Net movement in funds		3,287,727	(542,509)	2,745,218	(1,013,458)
Total funds carried forward	18	21,739,735	6,994,591	28,734,326	25,989,108

The notes on pages 25 to 48 form part of these financial statements.

WESSEX CHILDREN'S HOSPICE TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 02601495 (England and Wales)

CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	12	11,534,933	11,960,318
Investments	13	12,599,635	9,488,408
		24,134,568	21,448,726
Current assets			
Stocks	14	15,162	2,575
Debtors	15	2,598,279	3,348,169
Cash at bank and in hand		2,889,190	2,065,772
		5,502,631	5,416,516
Creditors: amounts falling due within one year	16	(902,873)	(876,134)
Net current assets		4,599,758	4,540,382
Total net assets		28,734,326	25,989,108
Charity funds			
Restricted funds	18	6,994,591	7,537,100
Unrestricted funds			
Designated funds	18	14,653,174	14,399,435
General funds	18	3,547,517	2,624,707
Revaluation reserve	18	3,539,044	1,427,866
Total unrestricted funds	18	21,739,735	18,452,008
Total funds		28,734,326	25,989,108

The surplus for the Charity dealt with in the financial statements was £2,749,969 (2020: £1,004,978 deficit).
The financial statements were approved and authorised for issue by the Trustees on 5th October 2021.
and signed on their behalf by:

Faith Ramsay
Chair



The notes on pages 25 to 48 form part of these financial statements.

WESSEX CHILDREN'S HOSPICE TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 02601495 (England and Wales)

COMPANY BALANCE SHEET
AS AT 31 MARCH 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	12	11,534,933	11,960,318
Investments	13	12,599,637	9,488,410
		24,134,570	21,448,728
Current assets			
Stocks	14	13,346	-
Debtors	15	2,597,926	3,343,889
Cash at bank and in hand		2,881,868	2,058,106
		5,493,140	5,401,995
Creditors: amounts falling due within one year	16	(899,956)	(872,938)
		4,593,184	4,529,057
Net current assets		4,593,184	4,529,057
Total net assets		28,727,754	25,977,785
Charity funds			
Restricted funds	18	6,994,591	7,537,100
Unrestricted funds			
Designated funds	18	14,653,174	14,399,435
General funds	18	3,540,945	4,041,250
Revaluation reserve	18	3,539,044	-
Total unrestricted funds	18	21,733,163	18,440,685
Total funds		28,727,754	25,977,785

The financial statements were approved and authorised for issue by the Trustees on *5th October 2021*, and signed on their behalf by:



Faith Ramsay
Chair

The notes on pages 25 to 48 form part of these financial statements.

WESSEX CHILDREN'S HOSPICE TRUST
(A company limited by guarantee)

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2021

	Note	2021 £	2020 £
Cash flows from operating activities			
Net cash provided by operating activities	20	1,832,457	547,428
Cash flows from investing activities			
Dividends and interest from investments		147,280	269,946
Proceeds from the sale of tangible fixed assets		-	29,000
Purchase of tangible fixed assets		(178,890)	(153,299)
Withdrawals from investment portfolio		158,026	438,302
Additions to investment portfolio		(1,135,455)	(187,344)
Net cash (used in)/provided by investing activities		(1,009,039)	396,605
Change in cash and cash equivalents in the year		823,418	944,033
Cash and cash equivalents at the beginning of the year		2,065,772	1,121,739
Cash and cash equivalents at the end of the year	21	2,889,190	2,065,772

The notes on pages 25 to 48 form part of these financial statements

WESSEX CHILDREN'S HOSPICE TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

1. General information

Wessex Children's Hospice Trust is a registered charity (charity number 1002832) and a private company limited by guarantee (company number 02601495) incorporated in England & Wales. The registered office and principal place of business is Stockbridge Road, Sutton Scotney, Winchester, SO21 3JE. This is also the address of its wholly owned subsidiary Naomi House Children's Hospice Ltd.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Companies Act 2006 and the Charities Act 2011.

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

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. 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. The Charity has taken advantage of the exemptions in FRS 102 from the requirement to present a charity only Cash Flow Statement and certain disclosures about its own financial instruments within the consolidated financial statements.

2.2 Going concern

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

In light of the current climate in relation to the COVID-19 pandemic the Trustees have undertaken planning and forecasting and continue to closely monitor the developing situation. Despite the current circumstances the Trustees believe that the Group's financial resources and contingency planning is sufficient to ensure the ability of the Group to continue as a going concern for the foreseeable future, being at least twelve months from the date of approval of these financial statements and therefore have prepared the financial statements on a going concern basis.

2.3 Income

Income is recognised when the Group 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 grants (including retail grants) and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the Group 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

WESSEX CHILDREN'S HOSPICE TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

2. Accounting policies (continued)

2.3 Income (continued)

the amount can be measured reliably.

Where entitlement occurs before income is received, the income is accrued. Where income is received in advance of the Group having entitlement to the funds the income is deferred.

Donations and gifts represents amounts receivable during the year, together with any associated tax refund and do not include the value of any pledges secured for future donations. Income from gift aid tax reclaims is recognised for all donations made prior to the year end, where valid gift aid declarations are held.

The contribution of volunteers is not included in the Statement of Financial Activities, but is disclosed in the Trustees' Report in accordance with the SORP.

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

Where legacies have been notified to the charity, but the criteria for income recognition have not been met, the legacy is treated as a contingent asset and disclosed if material in note 23.

The recognition of income from legacies is dependent on establishing entitlement, the probability of receipt and the ability to estimate with sufficient accuracy the amount receivable. Evidence of entitlement to a legacy exists when the charity has sufficient evidence that a gift has been left to them (through knowledge of the existence of a valid will and the death of the benefactor) and the executor is satisfied that the property in question will not be required to satisfy claims in the estate. Receipt of a legacy must be recognised when it is probable that it will be received and the fair value of the amount receivable, which will generally be the expected cash amount to be distributed to the charity, can be reliably measured.

2.4 Expenditure

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 Group in inducing third parties to make voluntary contributions to it, the costs of running the charity shops, as well as the cost of any activities with a fundraising purpose. It also includes the investment manager fees.
- Expenditure on charitable activities includes the costs of running the Naomi House and Jacksplace hospices together, including the long term ventilation unit, with the provision of support for the families of the referred children and young people.

Irrecoverable VAT is charged as a cost to the Statement Of Financial Activities when the expenditure is incurred.

2.5 Allocation of support costs

Expenditure is allocated to the particular activity where the cost relates directly to that activity.

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2. Accounting policies (continued)

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 reallocated to each of the activities on the following basis:

- Cost of generating income 15%
- Costs of merchandising & shops 23%
- Costs of investments 1%
- Naomi House 31%
- Jacksplace 23%
- LTV 0.3%
- Community & Family Support 6.7%

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 and are included within support costs.

2.6 Interest receivable

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

2.7 Operating leases

Rental charges are charged to the Statement of Financial Activities on a straight line basis over the term of the lease.

2.8 Tangible fixed assets and depreciation

Tangible fixed assets costing £2,500 or more are capitalised.

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 charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives.

Depreciation is provided on the following bases:

Leasehold land	- Over period lease
Leasehold buildings	- 50 years
Motor vehicles	- 4 years
Fixtures and fittings	- 5 years
Computer equipment	- 3 years

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2. Accounting policies (continued)

2.9 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, are shown in the heading "Net gains/(losses) on investments" in the Statement of Financial Activities. The Group does not acquire put options, derivatives or other complex financial instruments.

Investments in subsidiaries are valued at cost.

2.10 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.

2.11 Debtors

Trade debtors, other debtors and accrued income 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.

2.12 Cash at bank and in hand

Cash at bank and 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.

2.13 Creditors

Creditors are recognised where the Group 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 are normally recognised at their settlement amount after allowing for any trade discounts due.

2.14 Financial instruments

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

2.15 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 Group. Expenditure made through the Statement of Financial Activities represents the contributions arising in the year.

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2. Accounting policies (continued)

2.15 Pensions (continued)

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 25 for more details.

2.16 Fund accounting

Unrestricted funds are donations and other income received or generated for the charitable purposes and have not been designated for other purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular purposes. Details of the aim and use of designated funds are included within the notes to the financial statements.

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. Details of the restrictions are included within the notes to the financial statements.

Endowment funds are investments donated to the charity to generate income which can be spent on charitable activities. Details of the aim and use of endowment funds are included within the notes to the financial statements.

2.17 Significant estimates and judgements

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have been made include:

Management judgement is applied over the valuation of legacy income and the legacy pipeline where cash is not yet received. See note 2.3 for the legacy accounting policy and note 23 for the value of the legacy pipeline.

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FOR THE YEAR ENDED 31 MARCH 2021

3. Income from donations and legacies

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	<i>Total funds 2020 £</i>
Grants				
Grants & Trusts	240,234	127,839	368,073	<i>300,580</i>
Government grants				
Government Retail, Leisure & Hospitality Grant	-	-	-	<i>500,000</i>
NHS England Children's Hospices Grants Programme	-	602,676	602,676	<i>414,469</i>
COVID-19 Retail Grant	310,605	-	310,605	-
Coronavirus Job Retention Scheme	880,640	-	880,640	-
NHSE Emergency COVID-19 grant funding	-	1,203,333	1,203,333	-
	<u>1,431,479</u>	<u>1,933,848</u>	<u>3,365,327</u>	<u><i>1,215,049</i></u>
Donations	1,092,369	77,824	1,170,193	<i>1,416,634</i>
Legacies	1,058,557	-	1,058,557	<i>642,084</i>
	<u>3,582,405</u>	<u>2,011,672</u>	<u>5,594,077</u>	<u><i>3,273,767</i></u>
<i>Total 2020</i>	<u><u>2,732,201</u></u>	<u><u>541,566</u></u>	<u><u>3,273,767</u></u>	

The NHSE awarded funding to allow the hospice to make available bed capacity and community support from April 2020 to July 2020 to provide support to people with complex needs in the context of the COVID-19 situation and to provide bed capacity and community support from November 2020 to March 2021 for the same purpose.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

4. Income from charitable activities

	2021	<i>2020</i>
	£	£
Clinical Commissioning Groups	416,590	<i>731,312</i>
Individuals	26,400	<i>76,050</i>
Other	68,137	<i>3,750</i>
	511,127	<i>811,112</i>
	511,127	<i>811,112</i>

Income from charitable activities is unrestricted during this and the prior year.

5. Investment income

	Unrestricted funds	Total funds	<i>Total funds</i>
	2021	2021	<i>2020</i>
	£	£	£
Dividends	146,840	146,840	<i>269,683</i>
Interest	440	440	<i>263</i>
	147,280	147,280	<i>269,946</i>
	147,280	147,280	<i>269,946</i>
<i>Total 2020</i>	<i>269,946</i>	<i>269,946</i>	
	<i>269,946</i>	<i>269,946</i>	

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6. Expenditure on raising funds

Costs of raising voluntary income

	Unrestricted funds 2021 £	Total funds 2021 £	<i>Total funds 2020 £</i>
Other staff and volunteer costs	1,078	1,078	5,530
Direct costs	300,868	300,868	338,056
Overhead costs	140,653	140,653	170,135
Wages and salaries	438,457	438,457	462,889
National Insurance	40,783	40,783	43,634
Pension costs	28,542	28,542	28,632
Depreciation	3,028	3,028	3,028
Allocated centrally incurred support and governance costs	89,449	89,449	231,219
	<u>1,042,858</u>	<u>1,042,858</u>	<u>1,283,123</u>
<i>Total 2020</i>	<u>1,283,123</u>	<u>1,283,123</u>	

Costs of operating shops

	Unrestricted funds 2021 £	Total funds 2021 £	<i>Total funds 2020 £</i>
Facilities & maintenance	622,259	622,259	853,890
Wages and salaries	761,753	761,753	876,380
National Insurance	45,336	45,336	59,740
Pension costs	25,034	25,034	25,037
Depreciation	18,367	18,367	70,317
Allocated centrally incurred support and governance costs	138,110	138,110	430,534
	<u>1,610,859</u>	<u>1,610,859</u>	<u>2,315,898</u>
<i>Total 2020</i>	<u>2,315,898</u>	<u>2,315,898</u>	

WESSEX CHILDREN'S HOSPICE TRUST
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NOTES TO THE FINANCIAL STATEMENTS
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7. Analysis of expenditure by charitable activities

	Activities undertaken directly 2021 £	Support costs 2021 £	Total funds 2021 £	Total funds 2020 £
Naomi House	2,036,974	185,843	2,222,817	2,212,698
Jacksplace	1,536,663	140,199	1,676,862	1,599,236
Long Term Ventilation Unit	21,990	2,065	24,055	95,102
Community & Family Support	409,759	38,477	448,236	694,620
	<u>4,005,386</u>	<u>366,584</u>	<u>4,371,970</u>	<u>4,601,656</u>
<i>Total 2020</i>	<u><u>3,527,863</u></u>	<u><u>1,073,793</u></u>	<u><u>4,601,656</u></u>	

Analysis of direct costs

	Naomi House 2021 £	Jacksplace 2021 £	LTV 2021 £	Community & Family Support 2021 £	Total funds 2021 £	Total funds 2020 £
Staff costs	1,315,223	992,185	-	380,403	2,687,811	2,829,856
Depreciation	229,568	173,183	19,456	7,073	429,280	80,262
Other staff & volunteer costs	17,183	12,962	-	435	30,580	138,719
Direct costs	171,676	129,510	2,534	14,883	318,603	357,243
Facilities & maintenance	102,465	77,298	-	-	179,763	-
Overhead costs	200,859	151,525	-	6,965	359,349	121,783
	<u>2,036,974</u>	<u>1,536,663</u>	<u>21,990</u>	<u>409,759</u>	<u>4,005,386</u>	<u>3,527,863</u>
<i>Total 2020</i>	<u><u>1,606,477</u></u>	<u><u>1,314,389</u></u>	<u><u>67,845</u></u>	<u><u>539,152</u></u>	<u><u>3,527,863</u></u>	

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NOTES TO THE FINANCIAL STATEMENTS
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7. Analysis of expenditure by charitable activities (continued)

Analysis of support costs

	Naomi House 2021 £	Jacksplace 2021 £	LTV 2021 £	Community & Family Support 2021 £	Total funds 2021 £	<i>Total funds 2020 £</i>
Staff costs	134,816	98,075	1,445	26,917	261,253	434,342
Depreciation	1,451	1,095	16	300	2,862	249,128
Other staff & volunteer costs	8,887	10,333	152	2,836	22,208	66,876
Direct costs	-	-	-	-	-	11,760
Facilities & maintenance	-	-	-	-	-	113,359
Overhead costs	40,689	30,696	452	8,424	80,261	198,328
	<u>185,843</u>	<u>140,199</u>	<u>2,065</u>	<u>38,477</u>	<u>366,584</u>	<u>1,073,793</u>
<i>Total 2020</i>	<u><u>606,221</u></u>	<u><u>284,847</u></u>	<u><u>27,257</u></u>	<u><u>155,468</u></u>	<u><u>1,073,793</u></u>	

Governance costs of £20,446 (2020: £57,371) are included within support costs.

8. Auditor's remuneration

The auditor's remuneration amounts to an auditor fee of £15,120 (2020 - £14,750), and non-audit fees of £4,850 (2020 - £3,100).

9. Staff costs

	Group 2021 £	<i>Group 2020 £</i>	Company 2021 £	<i>Company 2020 £</i>
Wages and salaries	3,852,997	4,325,809	3,852,997	4,325,809
Social security costs	344,866	403,738	344,866	403,738
Contribution to defined contribution and defined benefit pension schemes	255,896	305,922	255,896	305,922
	<u>4,453,759</u>	<u>5,035,469</u>	<u>4,453,759</u>	<u>5,035,469</u>

Redundancy and termination payments totalling £20,161 were made to seven employees during the financial year (2020: £2,500 to two employees).

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9. Staff costs (continued)

The average number of persons employed by the Company during the year was as follows:

	Group 2021 No.	<i>Group 2020 No.</i>
Care	91	96
Fundraising	16	17
Retail & Merchandice	54	61
Management & Administration	12	13
	<hr/> 173 <hr/>	<hr/> 187 <hr/>

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	Group 2021 No.	<i>Group 2020 No.</i>
In the band £60,001 - £70,000	1	1
In the band £80,001 - £90,000	1	1
In the band £90,001 - £100,000	1	1

The total employee benefits including pension contributions and employers NI of the key management personnel were £438,580 (2020: £432,505). Key management personnel are listed on page 1.

10. Trustees' remuneration and expenses

The Charity trustees were neither paid nor received any other benefits from employment with the charity in the year (2020: £Nil). No Charity trustee received payment for professional or other services supplied to the charity (2020: £Nil).

Expenses of £55 (2020: £50) were paid for, or reimbursed to, one trustee (2020: one trustee). Expenses related to travel and subsistence.

11. 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 Ltd gift aids available profits to the parent Charity within nine months of the year end so it has no tax charge.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

12. Tangible fixed assets

Group and Company

	Freehold property £	Leasehold land and property £	Assets under construction £	Motor vehicles £	Fixtures and fittings and computer equipment £	Total £
Cost or valuation						
At 1 April 2020	700,000	13,508,835	34,187	218,665	1,393,834	15,855,521
Additions	-	102,772	-	-	76,118	178,890
Disposals	-	(21,712)	-	-	(100,373)	(122,085)
Transfers between classes	-	25,920	(34,187)	-	8,267	-
VAT adjustment	-	(148,898)	-	-	-	(148,898)
At 31 March 2021	<u>700,000</u>	<u>13,466,917</u>	<u>-</u>	<u>218,665</u>	<u>1,377,846</u>	<u>15,763,428</u>
Depreciation						
At 1 April 2020	-	2,575,333	-	154,950	1,164,920	3,895,203
Charge for the year	-	327,917	-	37,294	90,166	455,377
On disposals	-	(21,712)	-	-	(100,373)	(122,085)
At 31 March 2021	<u>-</u>	<u>2,881,538</u>	<u>-</u>	<u>192,244</u>	<u>1,154,713</u>	<u>4,228,495</u>
Net book value						
At 31 March 2021	<u><u>700,000</u></u>	<u><u>10,585,379</u></u>	<u><u>-</u></u>	<u><u>26,421</u></u>	<u><u>223,133</u></u>	<u><u>11,534,933</u></u>
At 31 March 2020	<u><u>700,000</u></u>	<u><u>10,933,502</u></u>	<u><u>34,187</u></u>	<u><u>63,715</u></u>	<u><u>228,914</u></u>	<u><u>11,960,318</u></u>

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NOTES TO THE FINANCIAL STATEMENTS
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13. Fixed asset investments

Group				Listed investments £	
Valuation					
At 1 April 2020				9,488,408	
New money invested				1,135,455	
Amounts extracted				(158,026)	
Net gain on change in fair value				2,233,082	
Investment management fees				(99,284)	
At 31 March 2021				<u>12,599,635</u>	
Company	Investments in subsidiary companies £	Listed investments £			Total £
Valuation					
At 1 April 2020	2	9,488,408			9,488,410
New money invested	-	1,135,455			1,135,455
Amounts extracted	-	(158,026)			(158,026)
Net gain on change in fair value	-	2,233,082			2,233,082
Investment management fees	-	(99,284)			(99,284)
At 31 March 2021	<u>2</u>	<u>12,599,635</u>			<u>12,599,637</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

13. Fixed asset investments (continued)

Principal subsidiaries

The following was a subsidiary undertaking of the Company:

Name	Company number	Registered office or principal place of business	Principal activity
Naomi House Children's Hospice Ltd	02861158	Naomi House, Stockbridge Road, Sutton Scotney, Winchester, SO21 3JE	Non-primary purpose trading

Class of shares	Holding	Included in consolidation
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Ordinary	100%	Yes
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The financial results of the subsidiary for the year were:

Name	Income £	Expenditure £	(Loss) for the year £	Net assets £
Naomi House Children's Hospice Ltd	9,080	(13,830)	(4,750)	6,574

14. Stocks

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Finished goods and goods for resale	15,162	2,575	13,346	-

15. Debtors

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Trade debtors	95,638	90,791	95,404	86,511
Other debtors	60,498	87,746	60,379	87,746
Prepayments and accrued income	2,442,143	3,169,632	2,442,143	3,169,632
	2,598,279	3,348,169	2,597,926	3,343,889

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16. Creditors: Amounts falling due within one year

	Group 2021 £	<i>Group 2020 £</i>	Company 2021 £	<i>Company 2020 £</i>
Trade creditors	263,205	<i>256,580</i>	263,205	<i>254,450</i>
Amounts owed to group undertakings	-	-	533	<i>2,285</i>
Other taxation and social security	72,312	<i>95,630</i>	72,312	<i>95,630</i>
Other creditors	149,225	<i>133,261</i>	149,225	<i>133,261</i>
Accruals and deferred income	418,131	<i>390,663</i>	414,681	<i>387,312</i>
	902,873	<i>876,134</i>	899,956	<i>872,938</i>

Deferred income of £160,785 (2020: £60,819) relates to amounts received in advance for events held in the next financial year and a deferred grant. All of the prior year deferred income has been released in the current year.

17. Financial instruments

	Group 2021 £	<i>Group 2020 £</i>	Company 2021 £	<i>Company 2020 £</i>
Financial assets				
Financial assets measured at fair value through income and expenditure	12,599,635	<i>9,488,408</i>	12,599,635	<i>9,488,408</i>

Financial assets measured at fair value through income and expenditure comprise listed investments.

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NOTES TO THE FINANCIAL STATEMENTS
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18. Statement of funds

Statement of funds - current year

	Balance at 1 April 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2021 £
Unrestricted funds						
Designated funds						
Fixed Asset fund	4,795,885	-	-	(65,311)	-	4,730,574
Naomi House fund	4,486,000	-	-	-	-	4,486,000
Jacksplace fund	4,029,000	-	-	-	-	4,029,000
Capital Development Fund	314,550	-	-	(80,550)	-	234,000
Retail Operations Fund	774,000	-	-	399,600	-	1,173,600
	<u>14,399,435</u>	<u>-</u>	<u>-</u>	<u>253,739</u>	<u>-</u>	<u>14,653,174</u>
General funds						
General Funds	2,613,382	5,615,834	(4,556,438)	(253,739)	121,904	3,540,943
Non-charitable trading funds	11,325	3,590	(8,341)	-	-	6,574
Revaluation reserve	1,427,866	-	-	-	2,111,178	3,539,044
	<u>4,052,573</u>	<u>5,619,424</u>	<u>(4,564,779)</u>	<u>(253,739)</u>	<u>2,233,082</u>	<u>7,086,561</u>
Total Unrestricted funds	<u>18,452,008</u>	<u>5,619,424</u>	<u>(4,564,779)</u>	<u>-</u>	<u>2,233,082</u>	<u>21,739,735</u>

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18. Statement of funds (continued)

	Balance at 1 April 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2021 £
Restricted funds						
Fixed Asset Fund-Jacksplace	5,165,004	35,712	(155,157)	91,064	-	5,136,623
Fixed Asset Fund-Naomi House	1,999,429	-	(367,052)	44,397	-	1,676,774
Jacksplace Fund	51,348	100,000	(151,348)	-	-	-
Hospice Running Costs	5,001	1,845,960	(1,844,461)	-	-	6,500
Building & Facilities	260,228	-	-	(113,825)	-	146,403
Diversion Therapy	46,090	-	(6,163)	(21,636)	-	18,291
Endowment Fund	10,000	-	-	-	-	10,000
Bereavement Support	-	30,000	(30,000)	-	-	-
	<u>7,537,100</u>	<u>2,011,672</u>	<u>(2,554,181)</u>	<u>-</u>	<u>-</u>	<u>6,994,591</u>
Total of funds	<u><u>25,989,108</u></u>	<u><u>7,631,096</u></u>	<u><u>(7,118,960)</u></u>	<u><u>-</u></u>	<u><u>2,233,082</u></u>	<u><u>28,734,326</u></u>

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NOTES TO THE FINANCIAL STATEMENTS
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18. Statement of funds (continued)

Statement of funds - prior year

	<i>Balance at 1 April 2019</i>	<i>Income</i>	<i>Expenditure</i>	<i>Transfers in/out</i>	<i>Gains/ (Losses)</i>	<i>Balance at 31 March 2020</i>
	£	£	£	£	£	£
Unrestricted funds						
Designated funds						
Fixed Asset fund	4,352,231	-	-	443,654	-	4,795,885
Naomi House fund	6,170,000	-	-	(1,684,000)	-	4,486,000
Jacksplace fund	3,900,000	-	-	129,000	-	4,029,000
Capital Development Fund	279,900	-	-	34,650	-	314,550
Retail Operations Fund	655,000	-	-	119,000	-	774,000
	<u>15,357,131</u>	<u>-</u>	<u>-</u>	<u>(957,696)</u>	<u>-</u>	<u>14,399,435</u>
General funds						
General Funds	1,716,917	6,974,449	(7,382,259)	957,696	346,579	2,613,382
Non-charitable trading funds	19,803	-	(8,478)	-	-	11,325
Revaluation reserve	2,003,443	-	-	-	(575,577)	1,427,866
	<u>3,740,163</u>	<u>6,974,449</u>	<u>(7,390,737)</u>	<u>957,696</u>	<u>(228,998)</u>	<u>4,052,573</u>
Total Unrestricted funds	<u>19,097,294</u>	<u>6,974,449</u>	<u>(7,390,737)</u>	<u>-</u>	<u>(228,998)</u>	<u>18,452,008</u>

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18. Statement of funds (continued)

	<i>Balance at 1 April 2019</i>	<i>Income</i>	<i>Expenditure</i>	<i>Transfers in/out</i>	<i>Gains/ (Losses)</i>	<i>Balance at 31 March 2020</i>
	£	£	£	£	£	£
Restricted funds						
Fixed Asset Fund-Jacksplace	5,322,963	14,795	(176,799)	4,045	-	5,165,004
Fixed Asset Fund-Naomi House	1,999,429	-	-	-	-	1,999,429
Jacksplace Fund	128,749	2,288	(79,689)	-	-	51,348
Hospice Running Costs	95,000	452,444	(542,443)	-	-	5,001
Building & Facilities	197,074	67,199	-	(4,045)	-	260,228
Diversion Therapy	152,057	4,840	(110,807)	-	-	46,090
Endowment Fund	10,000	-	-	-	-	10,000
	<u>7,905,272</u>	<u>541,566</u>	<u>(909,738)</u>	<u>-</u>	<u>-</u>	<u>7,537,100</u>
Total of funds	<u><u>27,002,566</u></u>	<u><u>7,516,015</u></u>	<u><u>(8,300,475)</u></u>	<u><u>-</u></u>	<u><u>(228,998)</u></u>	<u><u>25,989,108</u></u>

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18. Statement of funds (continued)

Unrestricted funds

Charity only unrestricted funds total £21,733,163, being total unrestricted funds of £21,739,735 less the trading subsidiary retained earnings of £6,572.

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 and 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 cost of Jacksplace.

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 adult's stays.

Endowment Fund

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

Purpose 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 dependent on the Trust providing uninterrupted services from initial referrals right through to end of life.

Our funding is highly dependent 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

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18. Statement of funds (continued)

variation in income. The balance at 31 March 2021 of £4.5m 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 2021 of £4.0m represents 18 months of Care, Fundraising and Management costs.

Fund transfers are either for capital purchases made during the year where the restriction has been fulfilled or they were transfers to accurately reflect the closing designated fund balances.

19. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Tangible fixed assets	4,718,386	6,816,547	11,534,933
Fixed asset investments	12,589,635	10,000	12,599,635
Current assets	5,334,587	168,044	5,502,631
Creditors due within one year	(902,873)	-	(902,873)
Total	21,739,735	6,994,591	28,734,326

Analysis of net assets between funds - prior year

	<i>Unrestricted funds 2020 £</i>	<i>Restricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Tangible fixed assets	4,795,885	7,164,433	11,960,318
Fixed asset investments	9,478,408	10,000	9,488,408
Current assets	5,053,849	362,667	5,416,516
Creditors due within one year	(876,134)	-	(876,134)
Total	18,452,008	7,537,100	25,989,108

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20. Reconciliation of net movement in funds to net cash flow from operating activities

	Group 2021 £	<i>Group 2020 £</i>
Net income/(expenditure) for the year (as per Statement of Financial Activities)	2,745,218	<i>(1,013,458)</i>
Adjustments for:		
Depreciation charges	455,377	<i>560,446</i>
Investment management charges	99,284	<i>95,670</i>
(Gains)/losses on investments	(2,233,082)	<i>228,998</i>
Dividends and interest from investments	(147,280)	<i>(269,946)</i>
Loss/(profit) on the sale of fixed assets	-	<i>(21,842)</i>
(Increase)/decrease in stocks	(12,587)	<i>8,080</i>
Decrease in debtors	749,890	<i>714,330</i>
Increase in creditors	26,739	<i>245,150</i>
Capital Goods Scheme adjustment	148,898	<i>-</i>
Net cash provided by operating activities	1,832,457	<i>547,428</i>

21. Analysis of cash and cash equivalents

	Group 2021 £	<i>Group 2020 £</i>
Cash in hand	2,889,190	<i>2,065,772</i>
Total cash and cash equivalents	2,889,190	<i>2,065,772</i>

22. Analysis of changes in net debt

	At 1 April 2020 £	Cash flows £	At 31 March 2021 £
Cash at bank and in hand	2,065,772	823,418	2,889,190
	2,065,772	823,418	2,889,190

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NOTES TO THE FINANCIAL STATEMENTS
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23. Contingent assets - legacies

At the year end the Charity had a legacy pipeline with a potential value of £816,857.

24. Contingent liabilities

In the year ended 31 March 2010, Hampshire PCT awarded a capital grant of £1,500,000 towards the construction cost of Jackspace. 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 Jackspace ceasing to be used for the provision of hospice services.

25. Pension commitments

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 £126,617 (2020: £133,032). There were £18,950 outstanding contributions at the year-end (2020: £20,826).

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

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

a) Accounting valuation

A valuation of scheme liability is carried out annually by the scheme actuary (currently the Government Actuary's Department) as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period, and is accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as at 31 March 2021, is based on valuation data as 31 March 2020, updated to 31 March 2021 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.

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25. Pension commitments (continued)

The latest actuarial valuation undertaken for the NHS Pension Scheme was completed as at 31 March 2016. The results of this valuation set the employer contribution rate payable from April 2019 to 20.6% of pensionable pay. The 2016 funding valuation was also expected to test the cost of the Scheme relative to the employer cost cap that was set following the 2012 valuation. In January 2019, the Government announced a pause to the cost control element of the 2016 valuations, due to the uncertainty around member benefits caused by the discrimination ruling relating to the McCloud case.

The Government subsequently announced in July 2020 that the pause had been lifted, and so the cost control element of the 2016 valuations could be completed. The Government has set out that the costs of remedy of the discrimination will be included in this process. HMT valuation directions will set out the technical detail of how the costs of remedy will be included in the valuation process. The Government has also confirmed that the Government Actuary is reviewing the cost control mechanism (as was originally announced in 2018). The review will assess whether the cost control mechanism is working in line with original government objectives and reported to Government in April 2021. The findings of this review will not impact the 2016 valuations, with the aim for any changes to the cost cap mechanism to be made in time for the completion of the 2020 actuarial valuations.

The total pension contributions payable in the year were £129,279 (2020: £175,538). There were £19,632 outstanding contributions at the year-end (2020: £24,730).

26. Operating lease commitments

At 31 March 2021 the Group and the Company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	Group 2021	<i>Group 2020</i>	Company 2021	<i>Company 2020</i>
	£	£	£	£
Not later than 1 year	350,035	374,164	350,035	374,164
Later than 1 year and not later than 5 years	657,220	363,538	657,220	363,538
	1,007,255	737,702	1,007,255	737,702

27. Related party transactions

The intercompany balance at the year end was £533 (2020: £2,285) owed by Naomi House Children's Hospice Limited. Amounts of £2,743 were recharged to the subsidiary during the year.