



A charitable company limited by guarantee

Annual Report & Financial Statements for the year ended 31 March 2019

Making the most of short & precious lives
across the South West

Registered Charity Number: 1003314
Company No. 02620879 (England & Wales)
Website: www.chsw.org.uk

CHILDREN'S HOSPICE SOUTH WEST

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CHILDREN'S HOSPICE SOUTH WEST

Our Purpose and Vision

Children's Hospice South West exists to make the most of short and precious lives and puts children and families at the centre of all it does.

Our vision is to:

- Provide the highest level of care, clinical expertise and enrichment opportunities for children who are expected to die in childhood and to make the most positive difference to those children and their families in the South West who need it;
- Provide holistic care which meets the needs of all family members;
- Maximise our services to as many families as possible in ways they want and in partnership with others;
- Promote the needs of children with life-limiting conditions both regionally and nationally;
- Share our expertise widely through the provision of education.

Our Ethos

Our ethos is to ensure that everyone - trustees, staff and volunteers - places children and families at the centre of the organisation.

In order to achieve this, everyone is expected to promote a strong, caring community environment characterised by a culture of sensitivity, trust, consideration and respect for others.

CHILDREN'S HOSPICE SOUTH WEST

Legal and Company Information

Council of Management

Directors and Trustees¹

Dr Simon Langton-Hewer
Stephen Hindley CBE, DL
Gerry Sones
David Turner
Karen Rogers
Beverley Horler
Damian Whittard
Nicola Mason
Patricia Morris
Dr Hazel Curtis (resigned 7 September 2018)
Elizabeth Redfern CBE
Alan Broughton
Roger Knight
Elizabeth Childs (appointed 18 July 2019)
Kate Martin (appointed 18 July 2019)

Secretary

Jonathan Webber

Registered Office

Little Bridge House, Redlands Road,
Fremington, Barnstaple, Devon EX31 2PZ

Senior Management Team

Chief Executive (CEO)

Eddie Farwell MBE, Hon LLD

Director of Care

Allison Ryder

Director of Finance

Jonathan Webber

Director of HR

Daphne Sands

Director of Fundraising

Simon Bird

Director of Marketing and

Communications

Jessica Patel

Advisors

Principal Bankers

Barclays Bank Plc
3rd Floor, 3 Bedford Street, Exeter EX1 1LX

Previously: HSBC Bank plc

Principal Solicitors

Burges Salmon LLP
1 Glass Wharf, Bristol BS2 0ZX

Investment Advisors

Cazenove Capital Management Limited
1 London Wall Place, London EC2Y 5AU

Sarasin & Partners LLP
Juxon House, 100 St Paul's Churchyard, London EC4M 8BU

Independent Auditor

Crowe U.K. LLP
Carrick House, Lypiatt Road, Cheltenham
Gloucestershire GL50 2QJ

¹ A brief biography of the trustees and CEO is on pages 54 to 58

CHILDREN'S HOSPICE SOUTH WEST

Chairman's Report

This year we have been able to provide more help to sick children and their families than ever before, as well as improving the range of services offered. We have invested widely in staff training, clinical services and in care management in order to meet the needs of, and ensure the safety and high quality of care to, the families we serve with very complex medical needs.

The scenario of increased medical and nursing complexity for those children and young people we care for will gather pace as the boundaries of the care the State can offer reduce and as medical advances are made.

It is therefore pleasing to see that processes for assuring care quality are firmly embedded in Children's Hospice South West and that quality is being regularly measured with some outcomes which give much satisfaction and enabled the Board to have confidence in the assurance process and approve this document.

Furthermore, it is worthy of note that it has been a financially challenging year, not only for CHSW, but across the charity sector. During the year CHSW recorded a negative movement in total funds albeit, encouragingly, it did achieve a positive cash flow position.

In summary I can report that, notwithstanding the deficit for the year, the charity is in good financial health and is therefore able to continue to provide the high quality care that has been our hallmark for the last 24 years.

The quality of the service CHSW offers is illustrated by the following quotes from service users:

"The only place, other than with close family, that I totally trust to look after my 4 year old son George. I can leave him for short respite breaks in the knowledge that all his needs, including medical and emotional, will be met by the kind, caring and highly professional staff who look after him".

"Every preconception I had of what a hospice was going to look like could not have been further from the truth. This is a remarkable facility that enables families to have so much fun and happiness at such a challenging time. The thought and consideration into every ergonomic and aesthetic aspect is astounding and what I expected to be a harsh and clinical environment is full of warmth, calm and love."

This report makes such encouraging reading and I commend it to you and thank you for whatever part you have played in our success.



David Turner
Chairman of Trustees

CHILDREN'S HOSPICE SOUTH WEST

Chief Executive's Report

In 2017-18 the charity launched a new Strategic Plan setting out its ambitions for the next five years.

The plan says what we want to achieve in response to the changing environment in which we work.

In summary the key points are:

- The number of life limited children with complex clinical and nursing needs is steadily increasing so we need to ensure that our care teams, both in terms of skills and numbers, reflect this. In particular, we need to sustain and improve nurse recruitment in a market where supply is a problem;
- We want to continually develop care services which are externally facing and responsive to the needs of children and their families;
- In order to achieve these objectives we need to increase our income and ensure that everyone in the region has heard of the charity and knows what it does.

Financial sustainability is an important cornerstone in being able to ensure high levels of service quality and it is pleasing to note that, thanks to the generosity of thousands of people, we are able to achieve this.

Our main aim is to deliver excellence in all we do and to be able to evidence this. The Quality Account, the outcomes for measuring service quality, and the healthiness of our finances assure me that the organisation is in a good place to achieve current and future ambitions outlined above. Thus, we face the future with confidence.

The ethos of the Charity remains undimmed, placing children and families at the centre of all we do.

A handwritten signature in black ink that reads "Eddie Farwell". The signature is written in a cursive style and is underlined with a single horizontal stroke.

Eddie Farwell MBE, Hon LLD
Co-Founder & Chief Executive

CHILDREN'S HOSPICE SOUTH WEST

Trustees' Report for the year ended 31 March 2019

The directors and trustees present their Annual Report and Accounts for the year ended 31 March 2019. In preparing this report and accounts the trustees have complied with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

Founded in 1991, Children's Hospice South West (CHSW) exists to make the most of the lives of children and young people with life-limiting conditions, which means they are likely to die in childhood. Our belief is that the best way we can do this is to wrap our care around families who have received this unspeakable diagnosis. We journey with all family members from that point of diagnosis until the death of their child and into bereavement for as long as the family need us.

Children's Hospice South West is a registered charity with the Charity Commission in England and Wales (charity number 1003314) and was incorporated as a company limited by guarantee (company number 02620879). Legal and company information set out on page 4 lists the directors and trustees, the senior management team and the principal advisors and forms part of this report.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Organisational Structure

The charity is constituted as a company limited by guarantee, and, therefore, is governed by a Memorandum and Articles of Association and has no share capital.

The charity has a wholly owned subsidiary, C H S W Promotions Limited. The principal activity of the subsidiary is the sale of promotional and bought in goods in support of Children's Hospice South West.

The directors of this subsidiary throughout the year, unless otherwise stated, are as follows:

- Nicola Mason, CHSW Trustee
- Jessica Patel, CHSW Director of Marketing and Communications (appointed 16 November 2018)
- David Turner, CHSW Trustee (appointed 16 November 2018)
- Jonathan Webber, CHSW Director of Finance

Governance

All directors of the company, excluding the senior management team, are also trustees of the charity and there are no other trustees. All the trustees named on page 4 served throughout the year and until the date this report has been signed, unless otherwise stated.

The charity is organised so that the trustees meet collectively four times a year to direct the management of its affairs. Strategy days are also held periodically.

The members of the charity may, by ordinary resolution, appoint persons who are willing to act to be trustees.

CHILDREN'S HOSPICE SOUTH WEST
Trustees' Report for the year ended 31 March 2019 (continued)

The trustee body of Children's Hospice South West has taken the view that the recruitment of a trustee should usually be preceded by them demonstrating a commitment to the aims, the underlying philosophy and the inclusive style of governance/management demonstrated by the charity since its inception. A significant number of trustees are drawn from professions that can support the pursuit of service excellence in children's hospice care. Other trustees may have a community, legal, HR, fundraising, financial or commercial expertise.

New trustees are offered a programme of induction which includes reading a certain amount of literature, meeting with some of those who lead the organisation, and gaining some first-hand experience of situations in which we work. The programme of induction contains the following elements:

- A document pack including:
 - Organisational structure chart
 - Governing Documents and Governance Policies
 - Strategic plan
 - Latest Annual Report
 - Latest Management Accounts
 - Risk register
 - Annual meeting schedule
- Meeting key personnel including the chairman of trustees and individual members of the senior management team (SMT)
- Taking a tour of one of our hospices and meeting with the Head of Care
- Attending a Welcome Day with other new staff
- Spending time on a shift, working with the care team
- Attending other key events such as a staff quarterly site meeting, fundraising event, friends group conference

Management

The day to day operation of the charity is carried out by SMT, listed on page 4, who have delegated responsibility and are employees of the charity.

Care services throughout the charity are provided under the direction of the Director of Care, Allison Ryder. She is supported by her Deputy Director of Care and Head of Family Support, Helen Prescott, in addition to Heads of Care - Tracy Freame at Little Bridge House, Carl Joy at Charlton Farm and Claire Kilbey at Little Harbour.

Fundraising staff based at Little Bridge House, Charlton Farm and Little Harbour work under the direction of the Director of Fundraising, Simon Bird. The fundraising operation is divided into three business units. This structure acknowledges supporter affinity with a particular facility and the management and logistical challenges posed by the south west region.

The Director of Marketing and Communications, Jessica Patel, is located at Little Bridge House, with members of her team based at the three hospices, serving the three business units.

The finance function, based at Little Bridge House, is overseen by the Director of Finance, Jonathan Webber. Jonathan is also Company Secretary and is responsible for the retail operation.

CHILDREN'S HOSPICE SOUTH WEST
Trustees' Report for the year ended 31 March 2019 (continued)

The Director of HR, Daphne Sands, is located at Little Bridge House, with her team based at all three hospices, and is also responsible for facilities management and health and safety.

The Director of Care, Director of Fundraising, Director of Marketing and Communications, Director of Finance and Director of HR report to the Chief Executive, Eddie Farwell, who oversees all operational and strategic matters. IT services are managed by the Head of IT, Matt Argyle, under the direction of the Chief Executive.

Senior Management Team Remuneration

SMT remuneration, including that of the Chief Executive, is reviewed annually by the Remuneration Sub Committee of the Board of Trustees. Senior management remuneration is established and reviewed periodically based on the Hay Group methodology in respect to job evaluation and also having due regard to CHSW's duty to ensure best value and after taking advice on pay levels, market conditions and other relevant factors.

Other than allowable expenses, CHSW makes no payments in addition to the basic salary to the CEO and SMT for undertaking their core role. Any authorised additional hours will be subject to the conditions in line with all staff.

Employees

CHSW is committed to the principle of equal opportunities in employment and recognises its obligations under the Equality Act 2010. CHSW declares its opposition to any form of less favourable treatment, whether through direct or indirect, associated or perceived discrimination accorded to employees or job applicants, on the grounds of their sex, race, ethnic origin, nationality, religion or belief, disability, age, marital/civil partnership status, gender reassignment or sexual orientation, pregnancy or maternity.

CHSW is committed to creating a positive culture of respect for all employees, volunteers and families, to promote positive practice and to value the diversity of all individuals and communities.

CHSW embraces and recognises the importance of diversity, that different people bring different perspectives, ideas, knowledge and culture, and that this difference brings great strength as well as contributing to employee well-being and engagement.

Our aim is to create a culture that respects and values each person's differences, that promotes dignity, equality and diversity, and that encourages individuals to develop and maximise their true potential.

We expect commitment and involvement from all our employees, volunteers, partners and providers of goods and services in working towards the achievement of our aim.

Continued close attention is paid to the health and safety of employees while at work and all employees are provided with appropriate training, in compliance with the CHSW Health and Safety Policy.

CHILDREN'S HOSPICE SOUTH WEST

Trustees' Report for the year ended 31 March 2019 (continued)

The CHSW Communication and Consultation Policy states that communication and consultation are essential to the effective operation of CHSW and the delivery of its services. CHSW recognises the benefits of communicating and consulting with its employees on matters that are of importance to CHSW and its staff. Effective communication allows a two-way flow of information, minimising misunderstanding and demonstrating to staff that they are valued and respected. This policy is about communicating and consulting with staff regarding employment matters so that they are able to perform at their best, know their duties, obligations and rights and have an opportunity to contribute their ideas, knowledge and expertise. CHSW aims to comply with all relevant legislation and best practice in the operation of this policy.

Employee views are sought through a number of forums including team meetings, steering groups and the Staff Council. An annual staff survey is carried out, involving all employees, and the results are analysed and acted upon by SMT. Information concerning the charity and its activities and performance are shared with employees through several different mediums, including face to face meetings and through email and intranet platforms. These forms of communication are constantly being improved and developed.

This year CHSW has appointed a Freedom to Speak Up Guardian, a trustee lead and six champions from across the organisation to support a culture where employees are empowered to speak up about any concerns they may have. This has been well received by staff and will be further developed over coming months with regular reporting to the Board.

During the year CHSW appointed an apprentice utilising the funds accumulated in the apprenticeship levy scheme. CHSW are hoping to develop and utilise this scheme to an even greater extent in the future.

Public Benefit

The trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives. The benefits are clearly set out in the achievement section on page 14. The trustees review the activities of the charity against its aims and objectives on an ongoing basis and are satisfied that all activities continue to be related to its purpose. The beneficiaries are children and young people with life limited and life-threatening conditions and their families. A referral process is in place, with clear guidance on criteria, to ensure that those who meet the criteria are offered support by the charity.

Charity Governance Code

CHSW is a not for profit organisation which aims to follow charity sector best practice. The trustees are integrating and embedding the updated version of the Charity Governance Code (the "Code"), published in July 2017, into all aspects of their roles. On an ongoing basis, the trustees will undertake reviews of the Code and implement any consequential changes to CHSW's governance and standards.

CHILDREN'S HOSPICE SOUTH WEST
Trustees' Report for the year ended 31 March 2019 (continued)

PRINCIPAL OBJECT OF THE CHARITY

The charity was established "to promote the relief of illness and suffering in such ways as the Association shall from time to time think fit, and in particular in the South Western counties of England and adjacent areas and in particular:

- by establishing, maintaining and conducting residential nursing homes for the reception and care of young persons who are suffering from any chronic or terminal illness or from any other physical or mental infirmity, disability or disease and for the reception and care of the members of the family of such persons whether adult or otherwise, and so that any such home may be restricted to patients (and the families of patients) of under a certain age limit or to patients suffering from any particular types of illness, disability, disease or infirmity, and by providing medical or other treatment or attention for any such persons and their families as aforesaid in their own homes;
- by conducting or promoting or encouraging research into the care and treatment of persons suffering from any such illness, disability, disease or infirmity as aforesaid and particularly into the care and treatment of persons suffering from terminal illness and the care of the families of such persons and by providing for the dissemination of the results of such research;
- by promoting or encouraging or assisting in the teaching or training of Doctors, Nurses, Physiotherapists, Administrators, Social Workers, and other persons engaged in any branch of medicine, surgery, nursing or allied services, and in the teaching or training of students in any branch of medicine, surgery, nursing or allied services;
- by providing or assisting or encouraging the provision of spiritual help and guidance for any persons resident (either as patients or as families) or associated in any way with any such home or homes as aforesaid."

In pursuing the principal objectives of the organisation, activities that Children's Hospice South West provides to the families in the South West are detailed on page 13.

ORGANISATIONAL PRINCIPLES

Our ethos gives rise to a set of principles which determine how CHSW as an organisation operates on a day to day basis and which will therefore guide this strategy.

We will:

- Be an organisation which places children with life-limiting conditions and their families at the heart of all that we do;
- Continually engage with and listen to our children and families, employees, volunteers and supporters;
- Be one organisation with common goals whilst tailoring services to individual families by locality, and according to individual need;
- Ensure that diversity, inclusion, integrity, quality and respect are an integral part of all that we do;
- Be an inspiring place to work where all staff, volunteers and supporters are valued and appreciated;
- Ensure that everyone has the tools to do their job and are provided with appropriate opportunities to develop and gain new skills;

CHILDREN'S HOSPICE SOUTH WEST
Trustees' Report for the year ended 31 March 2019 (continued)

- Be ethical, open, honest and compliant in all that we do;
- Spend at least 75p in the pound on care services (excluding trading activities costs and inclusive of apportioned support costs);
- Be safe, efficient and environmentally aware;
- Work collaboratively with our colleagues and external partners.

CHSW CORE VALUES AND BEHAVIOURS

Everyone working for, or on behalf of Children's Hospice South West will act to or with:-

Care and Respect for each other

- Recognising and accepting our responsibility for safeguarding children and young adults and protecting them from harm.
- Acting fairly and with consideration, treating others as we would wish to be treated ourselves.
- Finding out what other colleagues do, encouraging them and recognising the value that each brings to the organisation.
- Embracing and recognising the importance of difference and diversity.

Honesty, Openness and Accountability

- Behaving with openness, integrity and honesty.
- Communicating swiftly and openly and listening to the views of others respectfully.
- Taking responsibility for your own actions and being accountable for them.
- Sorting out mistakes and concerns swiftly and without fuss.

Strive for Excellence

- Seeking to continuously develop and improve for your own professional growth and for the benefit of the charity.
- Always protecting the reputation of the charity.
- Celebrating success.

Work together

- Ensuring dynamic and harmonious team working in order to achieve success.
- Working with and involving our families, supporters and volunteers, understanding who they are and what their needs might be.
- Making the best use of organisational resources having regard to sustainability, efficiency and respect for the environment.

CHILDREN'S HOSPICE SOUTH WEST
Trustees' Report for the year ended 31 March 2019 (continued)

WHAT WE DO

Our objective remains the delivery of our existing services referred to in our "Vision" and as embodied in our core service offer. We will not put these at risk and they will remain our first priority.

Our unique care - Our service is built upon our multidisciplinary Care Team, who have been specially selected to help enrich the lives of all the children we care for. We ensure that each child's individual needs are met through being able to access the highest level of clinical nursing, medical and therapeutic care. We are truly committed to looking at how we can continue to meet the needs of our children and families, through the enhancement of our services.

Day visits – Families can spend the day with us, use our facilities and experience what we offer. For some, day visits, not overnight stays, are what they need.

Short breaks - A chance for families to spend time together, relax and have some fun as a family whilst creating special memories and building resilience to help them through their journey.

Bereavement support - We stay alongside families, offering support and friendship after their child's death. All our Care Team members provide important bereavement care for families as well as offering bereavement events and support groups. Families stay in touch with us for as long as they wish, often for many years.

End of life care - When life's journey ends, we are there to stand alongside families, providing medical and nursing expertise so that family members can feel safe and less anxious. After a child has died, they can lie in our special Starborn room. Families can also stay with us during this time and our team are on hand to guide and support them. Many families draw comfort from this and it becomes an important step in the grieving process.

Sibling support - Siblings also have a long and difficult journey alongside their sick brother or sister. We provide dedicated support to siblings who may feel isolated, scared or confused. We provide the opportunity for them to meet other siblings and seek support through play, sharing some special times and having some fun too, through a range of special activities.

Whole family care - We believe that the whole family should have the opportunity to accompany their sick child to the hospice, so that each member can feel secure in the midst of their impossible journey. We look after the whole family - mums, dads, well brothers and sisters, as well as sick children.

Making the most of every moment - We provide tailor-made family friendly facilities. Soft play rooms give every child a safe place to laugh and play, sensory rooms for calming stimulation, music therapy, hydrotherapy pools to ease stiff muscles and have some fun, sensory gardens for adventures outdoors, as well as specially adapted garden equipment enabling everyone to have fun outside. Alongside these are areas where parents and families can relax and unwind in a homely environment.

Working in partnership - We are committed to working in partnership with other agencies who work with the families we serve, whether statutory or voluntary. What is important to children and families in such extreme circumstances is that we all work together and our Care Teams fully support this approach.

Emergency care - We respond to medical or domestic needs, including providing expert medical and nursing care to help manage symptoms and build confidence before going home from hospital. When families need our care at short notice we are there to meet their needs and support them.

Keeping in touch – We build a special relationship with our families and are always available for help and support. Each family has named contacts who are in frequent contact. This can be by phone and home visits, as well as visiting a child when they are in hospital.

CHILDREN'S HOSPICE SOUTH WEST
Trustees' Report for the year ended 31 March 2019 (continued)

STRATEGIC REPORT

ACHIEVEMENTS AND PERFORMANCE

Our 'Top Line' Charity Objectives and Achievements for 2018-19

The charity's objectives fall into three categories: Care, Fundraising and Reserves

Objective	Whether achieved
Care	
To care for more sick children year on year	Achieved: 566 in 2018-19 (2017-18: 537)
To achieve an occupancy of available beds of 75%	Achieved: 80% in 2018-19 (2017-18: 79%) The occupancy target was exceeded at all three of our hospices, with Little Harbour achieving the highest increase for the year, by a commendable 15 percentage points above target.
Exemplary standards of care, with the Care Quality Commission (CQC) finding no actions for improvement	The CQC did not inspect any of the hospices in 2018-19 but our Quality Account which is submitted to NHS England demonstrates that the quality of care provided continues to be excellent.
Fundraising	
Guaranteed/regular income (i.e. Statutory, net Retail and Lottery, Committed Giving and Investment income) covering 30% of total expenditure excluding expenditure on trading activities	Achieved: 31% Total expenditure excluding expenditure on trading activities: £11.1m Guaranteed/regular income: £3.4m
Cover costs plus achieve a surplus before investment gains and losses	Not achieved: Total expenditure excluding expenditure on trading activities: £11.1m Total income net of trading expenditure: £10.5m
Reserves	
To hold a target range of reserves by taking a prudent approach to the identification of reasonable uncertainties that CHSW may face in the future	Achieved: Actual level of unrestricted general funds exceeds target range of reserves of £10,906,388 to £12,711,546, as explained on pages 25 and 26.

CHILDREN'S HOSPICE SOUTH WEST
Trustees' Report for the year ended 31 March 2019 (continued)

How you gave your support in 2018-19

Our total income net of trading expenditure in 2018-19 was: £10.5m (2017-18: £11.6m)

This was made up of:

Income Type	Income as a % of total income net of trading expenditure	
	2018-19	2017-18
Voluntary Income - Legacies	29%	33%
Voluntary Income - Trusts	3%	3%
Voluntary Income - Other	37%	39%
Net Trading Income including Lottery	11%	7%
Statutory Sector Contracts and Grants	16%	14%
Investment and other income	4%	4%

How we used the money you gave in 2018-19

Funds raised in current and previous years were used in the following way:

(i)	Care and associated overheads (including premises)	:	£9.0m
(ii)	Fundraising and associated overheads	:	£2.1m
(iii)	Capital expenditure	:	£0.3m

It should be noted that spend on care and associated overheads for the year of £9m amounted to 86% of the total income net of trading expenditure raised in the year of £10.5m.

WHAT WE DID IN 2018-19

CHSW has sustained our region wide service through the provision of hospice care to children and families in the South West from our three hospices: Charlton Farm, Little Bridge House and Little Harbour. The spread of our hospice sites means that one of our hospices is easily reached from the far west or east of the South West peninsula, despite the large, rural catchment area that we serve.

This has meant that more families have been able to receive much needed care and support closer to home and without the pressure of long and arduous journeys with a sick child. During 2018/19 we were again able to care for more children and families than in previous years and in addition saw a 47% increase in emergency care requirements.

CHILDREN'S HOSPICE SOUTH WEST
Trustees' Report for the year ended 31 March 2019 (continued)

This is a result of our investment in both medical care, posts shared across organisations and the work the teams have undertaken to raise awareness and build relationships with other local providers. However, the increase in emergency and intensive care requirements has also led to challenges and reluctantly a higher cancellation rate at Charlton Farm and at Little Harbour by the hospices.

Caring for children in a local hospice not only has the benefit of making hospice care far more accessible, but it also allows the care staff in each hospice to develop closer and more effective working relationships with other services and professionals working with the families locally. This shared care approach means that the children and their families receive consistent and coordinated care, rather than a fragmented approach which can leave gaps in care.

In early 2017, film clips were made available, to promote CHSW's service to both professionals and families of children with life limiting conditions. These short films are available on the website, along with a new information sheet specifically targeted at professionals and will help address misconceptions and fears about a children's hospice and provide a clearer understanding of CHSW's and 'children's hospice' care for both professionals and children and their families. During 2018/19 the website in its new format has demonstrated an increase in online activity. The new format makes it easier for both families and professionals to access information and resources.

Child and family service usage	2018/19	2017/18
Children supported (cumulative total)	566	537
New referrals	107	104
Referrals accepted	84	76
Number of children who died in the hospices	17	12
Number of children and young people discharged or transitioned to adult services	24	21
Parents supported (cumulative)	1,038	989
Siblings supported (cumulative)	941	892

The cumulative number of children and families supported by CHSW continues to increase steadily year on year. At the current rate of growth, it is projected by 2020 CHSW will be supporting close to 600 children and their families. However, this would lead to an unsustainable service without expanding one or more of the hospice bases to respond to the increasing demand, which is not envisaged. Therefore, in the year ahead a review of the service model is required.

CHSW cares for children of all ages, from newly born infants to teenagers and can continue to care for some very poorly young adults who are in the end stages of their life. The largest age group of children who use Children's Hospice South West are those of primary school age, 5 to 11 years old. There has been a decrease in the number of young adults we support as we have built in more robust review systems at annual reviews and, as our numbers increased, have been more robust to start transition where they no longer meet our criteria.

CHILDREN'S HOSPICE SOUTH WEST
Trustees' Report for the year ended 31 March 2019 (continued)

The age of the children who used our services:	2018/19	2017/18
Pre-school (age 4 years or under)	27%	20%
Primary school (age 5 to 11 years)	37%	40%
Secondary school (age 12 to 17 years)	28%	23%
Young adults (over 18 years)	8%	17%

The figures demonstrate that activity has generally increased - the numbers of children, the numbers of referrals processed and accepted, bed nights, day visits and the number of deaths within the hospices.

How our care resources were utilised	2018/19	2017/18
Emergency care	480	326
Planned stays	3,644	3,702
Total number of bed nights of care	4,124	4,028
Parent/carer stay nights	5,199	4,852
Siblings stay nights	3,329	3,095
Total number of family stay nights	8,528	7,947
Total stay nights	12,652	11,975
Day care visits	118	115
Starborn nights	109	101

The majority of children and families use our services for between 8 and 10 years, and the value of the care received during this period is well documented. Even our families for whom the pathway is very short benefit from staying at the hospice, getting to know the team, prior to their need for emergency or end of life care.

Each family is given an allocation of respite nights, so that they can plan short breaks during the year. However, when children become unwell and require symptom control, or require support after a hospital admission or end of life care, we provide emergency care. These stays are above the allocation of nights they receive.

HOW DID WE USE RESOURCES?

In 2018/19 we had a total of 4,124 bed nights, not including other activity, with a target to achieve 75% occupancy including bed nights and activity. 'Bed nights + activity' is measured against a target of 5,495 funded and staffed bed nights per year.

Activities included are those where children and families receiving direct care: day visits, respite care, emergency care, Starborn nights and family bereavement stays. We know there is some activity we currently do not capture, including home visits.

For 2018/ 19 the activity figure (nights, day visits, Starborn and family overnight bereavement visits) is 4,416. This equals 80% of activity against an internal target of 75%.

CHILDREN'S HOSPICE SOUTH WEST
Trustees' Report for the year ended 31 March 2019 (continued)

However, when you add to that activities where resources were directly being used to deliver care – including clinical dependency (603) and events (teenage weekends and bereavement events (111)) this figure increases to 5,130 or 93% which demonstrates highly effective and efficient use of resources.

We delivered high quality care to children and their families

We undertake several user satisfaction surveys and collect qualitative feedback from users of our hospices which show that children and families are highly satisfied with the care they receive at our hospices. These include a child friendly electronic platform (NPT- Orovia), comment cards, specific electronic and paper-based questionnaires and surveys, focus groups and collecting comments from thank you letters, cards and e-mails. The following quotes are from families using the service:

Little Bridge House:

"An ultrasound scan shows our worst fears realised and her tumour has returned. It has all happened over days. Our consultant thinks Little Bridge will be the best option for us as a family. We arrive at 1pm. We spend a week here making wonderful memories. We then spend a week at home before returning for another week. We were fed, children entertained and cleaned for. We also had the opportunity to make foot and handprints and casts. We spent time cuddling our child and also time at the beach. It gave us time to rest and keep energy levels up ready for our little girl's final night. The staff were amazing and looked after everything. She passed surrounded by mum and dad and sisters and brother. The next few days we spent with staff organising the funeral and spending time with our child. We know when we leave we will still have their support. Our time here, although difficult, will be looked on fondly. Thank you Little Bridge House, every single person here has been amazing."

"Just to say thank you so much for the reports, and also to your wonderful care team who made it possible for our family to have an excellent break this week. Our daughter's care was excellent and we were so relaxed, now ready to continue with recharged batteries."

"When we first found out our daughter's condition was life-limited and threatening, the thought of the hospice was really scary. I always thought this was a place for end of life care where poorly children spent their final days. How I was so wrong.

Little Bridge House is a magical place and filled with enough love and entertainment the kids never want to come home. It's not just about end of life care but helping families to lift some of the strains from home life and the opportunity to spend time as a family. We have been going for 18 months now and haven't looked back.

This week I was able to take my other two children out whilst our daughter was in the care of the hospice team. I felt guilty but it was a fantastic day completely worry free. I am able to spend much needed time with all my girls and husband without worrying about the cooking and cleaning and washing. We have film and games nights. We spend time in the Jacuzzi as a whole family and we have fun, lots of it!

We don't have to worry about where our daughter is - she's 1:1 the whole time. I can fully engage in conversations with others and spend 1:1 time with my girls. My eldest daughter learnt to ride a bike without stabilizers this week! It only took her half an hour but it was half an hour where she had my full attention.

Little Bridge House is an incredible place and we are so lucky to have them. I have come home with a clear head, more strength to fight the next few months and I can't wait to go back in November."

Charlton Farm:

"Huge thank you to everyone at Charlton Farm for an amazing supportive visit. I turned up feeling very strung out and frazzled, leaving feeling rejuvenated, energetic and like I have my personality back. You are an amazing group of people with sun beams coming out of your faces."

CHILDREN'S HOSPICE SOUTH WEST
Trustees' Report for the year ended 31 March 2019 (continued)

Little Harbour:

"Our little girl has again been offered top quality care by each and every one of the team. Staff have picked up even the smallest change in her presentation"

"Staff are always thorough and always make sure the care plan is up to date every visit"

"Yes my child had all they needed and more. The staff are amazing. The weekend stay was special and created some incredible mother's day memories"

"My daughter loved the music therapy and having 1:1 was brilliant for her"

"Totally approachable always listened to, felt able to talk"

"Spotless a massive credit to the housekeeping team"

"We had excellent Dr support, very caring in tune Drs"

"My child's needs are always brilliantly met and staff are very creative in coming up with new ideas"

"Our room was excellently presented, a range of snacks and drinks were available in the kitchen on the parents floor"

"Blown away by the effort put into the siblings birthdays, thank you so much a most memorable week"

"Excellent quality of food, nothing too much trouble if things are on the menu that we don't eat"

"Made us feel at home even though it's our first stay, we were very well fed and supported"

"There is still a stigma about why a child would be referred to a Hospice, can't express enough how different the environment is to what most people expect it to be"

"I just wanted to let you know how much I appreciated all of your hard work yesterday with the girls and helping them to understand their feelings and love for their sister. If you could pass on my thanks to the sibling team."

"We would like to say a massive thank you to all the staff at Little Harbour for their support over the past few years. In particular, we are incredibly grateful for the expert care our daughter had in the last few weeks. Forever grateful."

We enriched the lives of children and families

At Children's Hospice South West, we are absolutely committed to making the most of short and precious lives and the care offered at each of our hospices is not simply about medical and nursing care for sick children, but enriching the lives of children and their families. Each of those days are filled with a wide range of exciting activities to ensure children and families do not simply get a rest, but also enjoy fun filled opportunities which enrich each day and allow families to enjoy quality time together. We hear the benefit from families who, by coming to our environment, can do everyday things that are rarely achievable 'being able to sit in the garden' and need support to remember 'how to enjoy family time'.

At each of our hospices children and their families can enjoy themselves in our Messy Play rooms, soft play facility, sensory rooms, Jacuzzis, and family activity rooms, complete with an up to date suite of computers, computer games and a wide range of musical instruments to support everything from an in-house rock concert to music therapy. Outside the gardens are a place to explore full, of exciting opportunities for outdoor play but also quiet reflective spaces drawing on the beauty of the natural surroundings.

All members of the Care Team work in small contact groups, two to three members of the Team working with up to 16 children and families to provide telephone and contact support between visits. They would also aim to give some continuity and consistency of care for a child's visit to the hospice. These 'Contacts' continue with bereavement support for a family following the death of a child. 2018/19 has seen the introduction of a new Head of Family support with one of the primary goals in this role being a review of the family support services to improve the consistency and quality of the services we provide.

CHILDREN'S HOSPICE SOUTH WEST
Trustees' Report for the year ended 31 March 2019 (continued)

Music Therapy

The music therapist at each site is able to provide therapy to children at all points of their palliative care journey. Music is a powerful tool and is utilised in many ways. Music therapy can be enjoyed on a one to one or group level and sensory, musical stories are very popular. Equally, for the more energetic, our staff, and even the local farm animals, have enjoyed special concerts starring our very own rock stars.

Children with complex needs can engage and respond to music when their other forms of communication are limited. It can be used to reduce stress, anxiety and is helpful to both the children we care for and their siblings and parents. Importantly, it can be a communication tool and build self-esteem and confidence.

Observation of a care team member of a shy, vulnerable little boy with low self-esteem.

They played me the song and I grinned as he sang his heart out – something I had rarely seen - I could see the pride in his eyes and beaming from his face. He had written the words to a Christmas song with the help of the music therapist. The words expressed the importance of true Christmas spirit.

“Christmas, it’s a time to give. Christmas, doesn’t matter where you live”

He then shocked us all by wanting to perform his masterpiece in front of an audience – something I would have never thought he would do. We planned. I will be lead bell ringer, our Music Therapist would sing the verse and he would come in at the chorus, strumming the guitar throughout.

He made tickets, some personalised for staff that he knew and for family members. I could see his eyes light up and his cheeks blush as more and more of the fundraising team wanted to be part of the audience.

The time had come. He was very nervous and at points I didn’t think he would go through with the performance, but as more people came and sat down to watch, the realisation that they were there to support him had sunk in.

1,2,3,4 ... We began and he became louder and more confident. He played the final strum on his guitar and the applause filled the house. I have never seen him look so pleased with himself and confident that he was able to perform his own work in front of a crowd.

Dry eyes were limited as the staff congratulated him and left with a festive feeling in their hearts.

In recognition of the importance and benefit of music therapy we have increased our provision this year and this has been very popular with children and families.

We enriched the lives of brothers and sisters

Brothers and sisters are inevitably affected when there is a child with a life limiting condition in the family. When parents have to juggle the demands of caring for a very sick child, it is often brothers and sisters who have to take second place. Our Sibling Service is very important. This was reflected by parents at one of our parent engagement events who said a trusted person for their well child to talk to was just as essential as the care of the child referred. At each hospice we have a Sibling Team who dedicate their time to brothers and sisters, providing a wide range of fun and adventurous activities and also providing them with emotional support. At our hospices, we find that bringing together children and young people who find themselves ‘in the same boat’ has proved very powerful.

The sibling team put on a range of ‘in house’ activities and ‘out of house’ trips for brothers and sisters when they are staying at the hospice and during school holidays they also run themed activity weeks which are very popular and give a supported space to be with other children who understand, to explore thoughts and feelings.

CHILDREN'S HOSPICE SOUTH WEST
Trustees' Report for the year ended 31 March 2019 (continued)

Not only can the children relax and enjoy the fun activities which are offered, which is frequently difficult for them to do at home, they also gain tremendous support from talking together and finding that the problems and concerns they have are shared by others.

This year visits to the cinema, trips to the zoo, the Eden Project and aquarium, and local play and activity centres were all enjoyed.

Charlton Farm is fortunate to have woodland alongside the hospice so woodland treasure hunts, den and dam building can also be great fun activities. Charlton Farm continues to enjoy shows and activities offered to us from the Egg Theatre in Bath through our Children & the Arts partnership which is in its third year.

The relationships built provide a strong foundation for support to the whole family. The team will work with the family in helping to prepare a sibling through pre-bereavement work, at the time of death of their brother or sister and as part of the bereavement support for the family.

The Sibling Team will work with the children following the death of their brother or sister, giving them time to talk about their feelings, and opportunity to share, record and save special memories. This may be through play, craft activities, journals and often by creating a 'Memory Box' that the child can add to gradually over the first few days, then take home and continue to use over the weeks and months to come.

A member of the Sibling Team will often be asked by the family to attend the child's funeral and will be alongside the siblings to continue support on that day.

From Teenage Bereavement Weekend Little Bridge House:

"There's other people that have experienced similar things and it's nice to talk"

"Don't have to pretend"

"Coming here is like a break from the stress of reality"

"Coming to Little Bridge House feels like a hug"

"Feels like a second home"

We responded to increasingly complex needs in the children we care for

Advances in medicine and health care technology have improved the supportive care available to children with life limiting conditions. This development is welcomed because it has helped children to live for longer, but they require increasingly complex care and treatment regimes to sustain life. This means that the children who come to our hospices need to be cared for by expert carers, nurses and doctors who are very competent practitioners. It also means that the children are very dependent for their care and some may need more staff than usual. We know that the numbers of nights when a child is staying who needs two members of staff to safely meet their care needs is growing and this year reached 603 nights.

To help us better respond to the clinical and nursing needs of the very sick children we care for, we also employ children's palliative care medical staff including Paediatricians. Building on the success of having one of our doctors based at Charlton Farm we have increased our medical provision at Little Harbour. This complements our model with our Medical Director supporting the team from Little Bridge House.

CHILDREN'S HOSPICE SOUTH WEST
Trustees' Report for the year ended 31 March 2019 (continued)

In addition, emergency care for end of life and symptom control has significantly increased particularly at Charlton Farm and Little Harbour. We continue to work with other local providers to ensure care is seamless, that families are given choices and most importantly that expertise is delivered in the South West across organisations.

We helped make a real difference in end of life care

We believe that bereavement care starts at the point the child is diagnosed with a life limiting condition and so we try to respond to and care for those facing the awful reality of their child's untimely death. This includes offering support and professional friendship throughout their child's stay.

The care provided at end of life is holistic and considers all the needs of both the child and their family. It ranges from providing expert medical and nursing care to ensure the child is kept comfortable and free of distressing symptoms, to explaining what to expect and how to cope with this, to thinking about what is important to the child and family at the time of death and how we can help with this. This bereavement support continues well after the actual death of the child and, in some circumstances, this extends for many years.

We are committed to being responsive and working collaboratively. An example of this can be seen when, following the news that their daughter was now receiving palliative care only, this family knew that they wanted to spend time receiving the care and support given both here at Little Bridge House, and at home with support from the palliative care/community team and Oncology team at the Royal Devon and Exeter Hospital. They desperately wanted to maintain elements of their 'normal' lives for the benefit of their other children by spending time in their family home. We knew we needed to support the family to the very best of our ability and this required a flexible approach and regular and thorough communication with the other teams involved. There were some logistical difficulties along the way, but we did succeed in supporting this family in the manner they wanted. For the staff at Little Bridge House, this experience gave us professional opportunities to give training and support to new members of the team around the clinical aspects of end of life care, for example anticipatory symptom control plans to be used at home and within the hospice. As challenges arose, we were able to engage in 'in the moment training' for our team leaders, for example finding the most effective means of communication between ourselves and the other professionals involved. As we met together for debriefs, we were able to gather feedback and from this we developed a communication tool that now supports the provision of seamless care between our services.

On average, most children and families who use CHSW hospices use our service for 8 to 10 years. This means that the child and family develop a close relationship with care team staff, especially those who are named as their 'contacts'. For this reason, after their child's death it is the same care staff who provide bereavement support to the family, for as long as the family feel they need it. Bereavement care is tailored to the needs and wishes of the family and many attend our annual 'Remembering Day' or 'Bereavement Weekends' at each hospice.

There are thriving support groups for hospice users which are an integral part of the bereavement care offered, with parents who access these groups drawing great comfort from the friendship and support of other parents who understand what they are going through.

There is a growing demand for bereavement care at each of our hospices and the emotional pressure experienced by members of our Care Teams who work so closely with children and families facing loss is considerable. We have invested in developing a service level agreement at each of our hospices for the delivery of psychology support, supervision and training for our staff by qualified psychologists. This has been very well received by staff and is now integrated fully into our staff support measures.

CHILDREN'S HOSPICE SOUTH WEST
Trustees' Report for the year ended 31 March 2019 (continued)

Compliment given by bereaved parents reflecting back to the time their little boy spent in Starborn: They expressed how they felt they were 'swooped up' by staff and 'it immediately felt so right'. They felt the time they spent here allowed them to be themselves without being watched or judged. They felt if they had stayed at home they would have had to behave in a way that others would expect.

Each year the opportunity is offered for a group of the bereaved teenage siblings to attend an outdoor activity residential weekend. We have found that this weekend has contributed to promoting the confidence of the siblings and that friendships are developed with others in similar circumstances. Feedback has reflected the value to the siblings of being able to share their experiences both with the team and with their peers, and to be spending time with others who are facing the same emotional journey.

A tailored siblings' day was held at Hauser and Wirth art gallery. The siblings that attended enjoyed a day being with other bereaved siblings. Some new friendships were forged and the sibling team attended to maintain that continuity of support. It enabled the children to open up and feel able to chat freely to the staff and each other while doing art activities that they then took home and talked to their parents about. For many of the bereaved siblings these are the only opportunities that they have to meet other children in a similar position as them. Their feedback has noted that this is one aspect that they hold important and special.

Further events this year have included a picnic for bereaved families which was held offsite to enable families that are not ready to come back to the hospice the opportunity to meet others and see staff again without the pressure of being at the place their child died.

VOLUNTEERS

The effective running of CHSW is very dependent on the large number of volunteers that give their time freely to help meet the aims and objectives of the charity. Without these volunteers CHSW would not exist. CHSW is supported by volunteers in all areas – from our Friends Group members, volunteer gardeners and maintenance team, the trustees serving on the Board, the volunteers in our charity shops, those supporting care in the hospices, administration, fundraising and many others.

We are supported by over 800 volunteers on a regular basis and, although it is of such significance to the charity, time donated by the charity's many volunteers and Friends Group members is not recognised in the accounts, as it cannot be reliably valued.

FUNDRAISING

All fundraising activities for the charity are carried out by charity staff and volunteers. Supporters of the charity take part in external events or organise their own events, with CHSW as their chosen beneficiary charity. The charity uses carefully recruited professional fundraisers to recruit players into the CHSW Lottery. These fundraisers follow strict codes of practice and conduct. CHSW has commercial participation agreements with a number of select businesses who use our logo on branded products. All fundraising activities are managed by our three fundraising managers and are monitored by the Director of Fundraising, with oversight by members of the Board of trustees.

CHILDREN'S HOSPICE SOUTH WEST
Trustees' Report for the year ended 31 March 2019 (continued)

Eight complaints relating to fundraising activities have been received by the charity during this financial year. In these circumstances, the charity has in place a complaints policy that is followed, with the initial response being undertaken by the line manager of the member of staff involved. Any continuing issues would ultimately be passed to the Director of Fundraising and trustees to determine what further action might be required. None of the complaints received resulted in any form of legal action.

We are registered with the Fundraising Regulator, demonstrating our commitment to good fundraising practice. We are committed to abide by the Fundraising Regulator's Code of Fundraising Practice, to the Fundraising Promise, and our own Ethical Fundraising Policy, and we are authorised to use the Fundraising Regulator badge on our fundraising materials.

We are very aware of our obligations to the public in this area and we are vigilant in our fundraising activities to ensure that there is no intrusion on people's privacy or any undue pressure applied, in line with the latest General Data Protection legislation.

RISK MANAGEMENT

The trustees have adopted a policy to identify the major risks to which the charity is exposed and to classify these in terms of probability and impact. An on-going review of the systems and other measures required to mitigate exposure to these risks is in place.

The Risk Register, which summarises these risks and documents steps taken to mitigate them, where possible, has been prepared and is reviewed every three months by the SMT, trustees and professional advisors as required.

This work has identified that the recruitment of Children's nurses, and consequent utilisation of care premises, are the most significant non-financial risks for the charity. This is a national, indeed international problem. In managing these risk factors, attention has been focussed on the following:

- Regular review of children's nurse vacancies by Heads of Care and HR;
- Increased flexibility in hours;
- Adverts and editorials to promote our positive working environment and our 'time to care';
- Maintaining competitive salaries and benefits packages (including the retention of NHS pension for nurses);
- Support for Return to Practice nurses;
- Nurse training sponsorship;
- Review of shift and working patterns;
- Constant review of bank support;
- Access to NHS job site for advertising posts which improves exposure to posts;
- Increased number of student nurse placements offered to attract children's nurses to the field of children's hospice care at an early stage in their career;
- Working in partnership with organisations in Bristol to deliver a children's palliative care rotation post which will attract more nurses to palliative care;
- Review of ways to increase workforce capacity;
- A thorough long-term recruitment, retention and development strategy.

CHILDREN'S HOSPICE SOUTH WEST
Trustees' Report for the year ended 31 March 2019 (continued)

FINANCIAL REVIEW

Consolidated Statement of Financial Activities

The Consolidated Statement of Financial Activities shows net expenditure before gains/(losses) on investments of £620,998 (2017-18: net income £1,057,747) in the year. The realised and unrealised gains on the charity's investments totalled £247,493 (2017-18: £137,499 losses). The resulting net movement in funds in the period of £(373,505) decreases the group's total funds to £39,524,293 (2017-18: £39,897,798) at 31 March 2019, as shown on page 31. Principal funding sources are detailed in notes 2 to 5 of the accounts.

Assets

Being a children's hospice, the majority of assets are the hospice land and properties, comprising £19.9m or 93% of tangible fixed assets. Details of movements in tangible fixed assets are set out in note 11 to the accounts.

Investments

Investments are held as a means of earning revenue on the charity's funds until they are required, and on endowment funds. In 2008 the trustees appointed Cazenove Capital Management Limited as their agent with the objective of managing a diversified portfolio of suitable investments with medium risk. In March 2015 the trustees appointed Sarasin & Partners as their second agent with the same objective. As far as possible, investments are avoided in companies with revenues derived from armaments, tobacco, alcohol manufacture, gambling or pornography.

In the year, in addition to the valuation gains referred to above, total income from these managed investments was £334,268 (2017-18: £361,870) and income from cash deposits was £17,740 (2017-18: £15,737) as detailed in note 3.

The investment funds held are split between medium and long term investments. The performance objective of the medium term fund is set at CPI + 3.5% whilst the long term fund is set at CPI + 4.5%. During 2018-19 these investment performance objectives were met.

Reserves

The trustees recognise that their commitment and moral obligation to the children and families who currently use our services will extend many years into the future. In their view it is imperative, therefore, to maintain unrestricted general funds at a level that will ensure the continuity of the unique service provided by Children's Hospice South West, even during periods of economic uncertainty.

In establishing the CHSW reserves policy, the trustees have taken direction from the Charity Commission's guidance CC9 by using an integrated approach for an organisation with complex activities and structures. This involves projecting cash flows over the next five years and identifying key risks associated, in this period, with both income and expenditure, whilst also giving consideration to already committed expenditure. From this work, it has been found necessary for CHSW to maintain a target range of reserves of between £10,906,388 and £12,711,546. This represents between 8.9 and 10.4 months of annual budgeted operating costs.

CHILDREN'S HOSPICE SOUTH WEST
Trustees' Report for the year ended 31 March 2019 (continued)

The Group's unrestricted general funds increased by £1,704,072 in the period to a total of £15,919,709 at 31 March 2019 (£14,215,637 at 31 March 2018), including £218,607 investment gains in the year and £1,313,782 transferred from designated funds. The trustees note that the group's unrestricted general funds are above their target range of reserves. It is the trustees' intention that, in the short term, the charity utilises some of these surplus funds for the development and implementation of a care database to help record and monitor the care work that the charity provides and thereby enhance that work. The trustees consider the current financial position of the charity to be satisfactory.

Designated capital funds have reduced by £818,719 to £21,397,904 (2017-18: £16,248,595 rise), representing the net book value of the unrestricted tangible and intangible fixed assets of the group.

Restricted funds are those to be used in accordance with specific instructions imposed by donors or which have been raised by the charity for specific purposes. At 31 March 2019, the balance of these funds was £708,854 (2017-18: £612,081). Details of these funds can be seen in note 18 of the financial statements.

An endowment fund is a fund retained for the benefit of the charity as a capital fund. The endowment fund included in these accounts is an expendable endowment, the income from which is restricted to funding the post of Head of Care at Charlton Farm. The endowment is held principally as an investment portfolio, which increased in value during the year from £1,447,335 to £1,476,221 due to market value movements.

Fundraising

As part of our strategic objectives, we aim to increase income to pay for our continued care ambitions. In 2018-19 donations and legacies decreased from £8.8m to £7.3m (16%). Of this decrease, legacy income fell by 21% to £3.1m, but we are always mindful that legacy income is not a predictable source of income for CHSW and can vary greatly from year to year. Individual donations decreased to £2.5m, largely as a result of the ever-increasing demands on donors' disposable income and difficulties raising voluntary donations. On an encouraging note, net income from trading activities increased 45% from £0.78m to £1.12m.

PLANS FOR THE FUTURE

Last year CHSW updated its strategic plan and set out an ambitious programme for the following five years. This plan ultimately has the children and their families at the centre of everything we do.

Our strategic objectives, set out in our Strategic Plan, are to:

- Develop care services which are externally facing and responsive to the needs of children and their families;
- Sustain and improve nurse recruitment;
- Increase income to pay for our continued care ambitions;
- Increase awareness of all we do;
- Recruit, retain and develop a sustainable, skilled and happy workforce including volunteers;
- Continue to develop business infrastructure to support organisational improvement;
- Deliver excellence in everything we do.

CHILDREN'S HOSPICE SOUTH WEST
Trustees' Report for the year ended 31 March 2019 (continued)

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also directors of Children's Hospice South West for the purposes of company law) are responsible for preparing the Trustees' Annual Report (including the Strategic Report) and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards).

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the trustees are required to:

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

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions, 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 and the provisions of the charity's constitution. They are also responsible for safeguarding the assets of the charity and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of Information to Auditors

Insofar as each of the trustees of the charity at the date of approval of this report is aware there is no relevant audit information (information needed by the charity's auditor in connection with preparing the audit report) of which the charity's auditor is unaware. Each trustee has taken all of the steps that he/she should have taken as a trustee in order to make himself/herself aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

Approval

This report, incorporating the strategic report, was approved by the Board of Trustees on 18th July 2019 and signed on its behalf:

David Turner
Chairman of trustees

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF CHILDREN'S HOSPICE SOUTH WEST

Opinion

We have audited the financial statements of Children's Hospice South West for the year ended 31 March 2019 which comprise the Consolidated Statement of Financial Activities, Consolidated and Charity Balance Sheets, Consolidated Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the charitable company's affairs as at 31 March 2019 and of the group's incoming resources and application of resources 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 UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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.

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF CHILDREN'S HOSPICE SOUTH WEST (continued)

Other information

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 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.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the group and the charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the trustees' report.

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

- the parent company has not kept adequate accounting records; or
- the parent 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, set out on page 27, 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.

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF CHILDREN'S HOSPICE SOUTH WEST (continued)

In preparing the financial statements, the trustees are responsible for assessing the group's or the 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 charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

Use of our report

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

THIS REPORT HAS NOT YET BEEN SIGNED

Guy Biggin

Senior Statutory Auditor

For and on behalf of **Crowe U.K. LLP** Statutory Auditor

Carrick House, Lypiatt Road, Cheltenham, Gloucestershire GL50 2QJ

Date:

CHILDREN'S HOSPICE SOUTH WEST

Consolidated Statement of Financial Activities
(including Income and Expenditure Account)
for the year ended 31 March 2019

	Notes	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	TOTAL 2019 Funds £	TOTAL 2018 Funds £
Income from:						
Donations and legacies	2	5,962,173	1,374,502	-	7,336,675	8,781,015
Charitable activities: Statutory funding	5	878,352	807,639	-	1,685,991	1,678,663
Trading activities	4	4,454,738	-	-	4,454,738	3,868,732
Investments	3	321,935	39,492	-	361,427	386,229
Other		1,396	-	-	1,396	19,260
Total income		11,618,594	2,221,633	-	13,840,227	14,733,899
Expenditure on:						
Trading activities	4	3,331,279	-	-	3,331,279	3,089,433
Total income net of trading expenditure		8,287,315	2,221,633	-	10,508,948	11,644,466
Expenditure on:						
Raising funds		2,067,657	-	-	2,067,657	2,080,611
Investment management fees		36,310	-	-	36,310	26,475
Net income available for charitable activities		6,183,348	2,221,633	-	8,404,981	9,537,380
Charitable activities:						
Care of children and families	6	6,988,320	2,037,659	-	9,025,979	8,479,633
Total expenditure	6	12,423,566	2,037,659	-	14,461,225	13,676,152
Net (expenditure)/income before gains/(losses) on investments	10	(804,972)	183,974	-	(620,998)	1,057,747
Net gains/(losses) on investments	13(b)	218,607	-	28,886	247,493	(137,499)
Net (expenditure)/income		(586,365)	183,974	28,886	(373,505)	920,248
Transfer between funds	18 & 19	87,201	(87,201)	-	-	-
Net movement in funds		(499,164)	96,773	28,886	(373,505)	920,248
Reconciliation of funds:						
Total funds brought forward	18 & 19	37,838,382	612,081	1,447,335	39,897,798	38,977,550
Total funds carried forward	18 & 19	37,339,218	708,854	1,476,221	39,524,293	39,897,798

The accounting policies on pages 34-39 and the notes on pages 39-53 form part of these financial statements

CHILDREN'S HOSPICE SOUTH WEST
Registered company number 02620879
Consolidated & Charity Balance Sheets
as at 31 March 2019

	Notes	Group 2019 £	Group 2018 £	Charity 2019 £	Charity 2018 £
Fixed Assets					
Tangible Assets	11	21,450,134	22,105,205	21,450,134	22,105,205
Intangible Assets	12	327,770	488,418	327,770	488,418
Investments	13(a)	15,176,690	14,737,003	15,176,790	14,737,103
		<u>36,954,594</u>	<u>37,330,626</u>	<u>36,954,694</u>	<u>37,330,726</u>
Current Assets					
Stock	14	19,730	18,191	-	1,302
Debtors	15	1,168,267	1,186,914	1,198,991	1,206,980
Cash at bank and in hand		2,457,812	2,343,678	2,440,574	2,334,299
		<u>3,645,809</u>	<u>3,548,783</u>	<u>3,639,565</u>	<u>3,542,581</u>
Creditors falling due within one year	16	(1,076,110)	(981,611)	(1,070,228)	(977,728)
Net Current Assets		<u>2,569,699</u>	<u>2,567,172</u>	<u>2,569,337</u>	<u>2,564,853</u>
Total Net Assets		<u>39,524,293</u>	<u>39,897,798</u>	<u>39,524,031</u>	<u>39,895,579</u>
Funds of the Group & Charity					
Endowment Fund	17	1,476,221	1,447,335	1,476,221	1,447,335
Restricted Funds	18	708,854	612,081	708,854	612,081
Unrestricted Designated Funds	19	21,419,509	23,622,745	21,419,509	23,622,745
Unrestricted General Fund	19	15,919,709	14,215,637	15,919,447	14,213,418
Total Group & Charity Funds	20	<u>39,524,293</u>	<u>39,897,798</u>	<u>39,524,031</u>	<u>39,895,579</u>

Of the net movement in funds for the year of £(373,505) (2017-18: £920,248), an amount of £(371,548) (2017-18: £918,229) has been dealt with in the Statement of Financial Activities of the parent company.

The financial statements were approved and authorised for issue by the Board of Trustees on 18 July 2019 and signed on its behalf:

David Turner (Chairman of trustee)

The accounting policies on pages 34-39 and the notes on pages 39-53 form part of these financial statements

CHILDREN'S HOSPICE SOUTH WEST

Consolidated Cash Flow Statement
for the year ended 31 March 2019

	Notes	2019 £	2018 £
Cash provided by operating activities	26(a)	239,763	1,772,107
Cash flows from investing activities			
Deposit interest received		11,173	10,626
Investment income received		111,770	116,610
Rental income received		9,419	8,622
Cash flows from investing activities		<u>132,362</u>	<u>135,858</u>
Capital expenditure and financial investment			
Purchases of tangible and intangible fixed assets:			
Little Bridge House		(3,475)	-
Charlton Farm		(1,194)	-
Other assets		(290,340)	(973,678)
Purchases of tangible and intangible fixed assets		<u>(295,009)</u>	<u>(973,678)</u>
Proceeds from sales of tangible fixed assets		<u>146</u>	<u>16,826</u>
Fixed asset investments:			
Receipts		<u>36,872</u>	<u>569,051</u>
		<u>36,872</u>	<u>569,051</u>
Capital expenditure and financial investment		<u>(257,991)</u>	<u>(387,801)</u>
Cash used in investing activities		<u>(125,629)</u>	<u>(251,943)</u>
Increase in cash and cash equivalents in the year	26(b)	<u>114,134</u>	<u>1,520,163</u>
Cash and cash equivalent at the beginning of the year		2,343,678	823,515
Total cash and cash equivalent at the end of the year		<u>2,457,812</u>	<u>2,343,678</u>

The accounting policies on pages 34-39 and the notes on pages 39-53 form part of these financial statements

CHILDREN'S HOSPICE SOUTH WEST

Notes to the accounts for the year ended 31 March 2019

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES

Children's Hospice South West is a registered charity with the Charity Commission England and Wales (charity number 1003314) and was incorporated as a private company limited by guarantee (company number 02620879). Its registered office is Little Bridge House, Redlands Road, Fremington, Barnstaple, Devon EX31 2PZ. This is also the registered address of the subsidiary.

The following accounting policies have been applied consistently in dealing with items that are considered material in relation to the financial statements:

(a) Basis of preparation of accounts

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Companies Act 2006 and Charities Act 2011.

Children's Hospice South West meets the definition of a public benefit entity under FRS 102.

These financial statements consolidate the results of the charity and its wholly owned subsidiary, C H S W Promotions Limited, on a line by line basis. All intergroup transactions are eliminated on consolidation.

A separate Statement of Financial Activities and Income and Expenditure Account for the charity has not been presented because the charity has taken advantage of the exemption afforded by section 408 of the Companies Act 2006. The charity has taken advantage of the exemptions in FRS 102 from the requirements to present a charity only cash flow statement and certain disclosures about the charity's financial instruments.

(b) Going concern

The group has cash resources and no requirement for external funding to fund normal operating activities. The trustees believe that there are no material uncertainties about the group's ability to continue in operating existence for the foreseeable future, having reviewed our financial position, reserves levels and future plans. They continue to believe the going concern basis of accounting appropriate in preparing the annual financial statements.

(c) Fund accounting

Restricted funds are those to be used in accordance with specific instructions imposed by donors or which have been raised by the charity for specific purposes. The aim and use of each restricted fund is set out in the notes to the accounts where material.

CHILDREN'S HOSPICE SOUTH WEST

Notes to the accounts for the year ended 31 March 2019 (continued)

The endowment fund is to be retained for the benefit of the charity as a capital fund. The income generated from the capital is restricted due to the wishes of the donor. The endowment fund included in these accounts is an expendable endowment.

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity.

The trustees have designated certain unrestricted funds as capital funds, representing the net book value of the unrestricted fixed assets used to enable Children's Hospice South West to carry out its charitable work. They have also decided that the Jill Farwell Fund will be used to provide ongoing music therapy.

(d) Income

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

Income from voluntary sources is received by way of donations and gifts and is included in full in the Statement of Financial Activities when receivable.

Income from gift aid tax reclaims is recognised for all donations made prior to the year end, where valid gift aid declarations are held, and allocated to the same fund as the underlying donation.

Donated services and facilities

Properties, investments, and other fixed assets donated to the charity are included as income at market value at the time that the charity takes control of the item. Donated services and facilities are included as income, if material, at their estimated value to the charity when received, and under the appropriate expenditure heading depending on the nature of service provided, at the same value and time. Although it is of significant value to the charity, time donated by the charity's many volunteers and Friends Group members is not recognised in the accounts as it cannot be reliably valued. Details of the role played by volunteers and the nature of their contribution can be found in the trustees' report.

Stocks of donated goods for resale cannot be measured reliably in a cost-effective manner, due to the high volume of low value items received. Therefore donated goods for resale are not recognised on receipt, but are recognised as income when sold.

Legacy income

Legacies are recognised at the earlier of the date on which either: the charity is aware that the estate has been finalised and the executors have advised the charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy is only considered probable when the amount can be measured reliably and the executors have advised the charity that a distribution will be made.

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 25.

CHILDREN'S HOSPICE SOUTH WEST

Notes to the accounts for the year ended 31 March 2019 (continued)

Recognition is therefore dependent on the type of legacy, with pecuniary legacies recognised when notification is received, and residuary legacies recognised when amounts are distributed or when the final accounts under the will are agreed. Reversionary legacies are not recognised during the lifetime of the original beneficiary under the will.

Income received in advance

Income received in advance of an event or provision of other specific service, is deferred until the criteria for income recognition are met.

Interest received

Interest on funds held on deposit is included when receivable.

Investment income

Investment income is credited to income on an accruals basis.

Grants (including Government grants)

Grants received for specific purposes are accounted for as restricted funds. Grants that provide core funding or are of a general nature provided by charitable foundations are recorded as donations. The grants detailed in note 5 have been included as income from charitable activities as they relate to the provision of care services.

(e) Expenditure

Expenditure is accounted for on an accruals basis and 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 has been classified under the following activity headings.

- The costs of raising funds are those incurred in encouraging individuals and organisations to make voluntary contributions and donations to the charity. This includes the costs of the charity's fundraising offices and supporter groups, the cost of trading and investment management fees.
- Charitable expenditure comprises direct expenditure including direct staff costs attributable to its care activities and support costs.

The treatment of VAT is detailed in (h) below.

Support costs include central functions and are allocated to activity cost categorised on a basis consistent with the use of resources. This allocation is carried out on a substantive activity basis and does not take account of incidental use.

Governance costs are included within support costs and comprise the costs of running the charity. This includes external audit, any legal advice for the trustees and all costs of complying with constitutional and statutory requirements such as the costs of Board and Committee meetings.

CHILDREN'S HOSPICE SOUTH WEST

Notes to the accounts for the year ended 31 March 2019 (continued)

(f) Operating leases

Rentals applicable to operating leases, where substantially all the risks and rewards of ownership remain with the lessor, are charged in the Statement of Financial Activities over the life of the lease on a straight line basis. They include retail shops, central offices, vehicles and photocopiers.

(g) Pension costs

The charity contributed to one defined benefit scheme in the year, but also operates a defined contribution pension scheme. Pension costs charged to the Statement of Financial Activities represent the contributions payable by the charity in respect of the accounting period. Both schemes are accounted for as defined contribution schemes. Note 23 provides a detailed explanation.

(h) Taxation

The charity is exempt from Corporation Tax on its charitable activities.
The charity and its subsidiary company are registered for Value Added Tax.
Irrecoverable VAT is allocated to the areas in which it is incurred.

(i) Tangible and intangible fixed assets

Tangible and intangible fixed assets are depreciated and amortised in equal annual instalments, using the straight line basis, over their estimated useful lives, as follows:-

Little Bridge House, Charlton Farm and Little Harbour	50 years
Other freehold buildings	10-50 years
Leasehold property	Life of lease
Medical equipment	5-10 years
Furniture and equipment; fixtures and fittings	4-20 years
Garden, play and external equipment	5-10 years
Soft furnishings	4-5 years
Computer equipment and software	4-5 years
Motor vehicles	4 years

No depreciation is provided on freehold land.

The cost of minor additions, defined as those costing less than £500 each, are expensed in the year in which they are incurred.

CHILDREN'S HOSPICE SOUTH WEST

Notes to the accounts for the year ended 31 March 2019 (continued)

(j) Fixed asset investments

Assets held with the intention of retaining them long-term for the continuing benefit of the charity through income and capital appreciation are classified as fixed asset investments. These may include investments listed on a recognised stock exchange (or ones valued by reference to such investments, such as common investment funds, open ended investment companies, and unit trusts), investment land or properties, investments in subsidiary undertakings, and cash held for investment purposes.

Fixed asset investments, other than cash deposits, are stated at market valuation and any gains or losses are dealt with in the Statement of Financial Activities.

Investment in the subsidiary is stated at cost.

(k) Stock

Stock consists of purchased goods for resale. Purchased goods for resale are valued at the lower of cost and net realisable value, after allowing for obsolete and slow moving stock.

(l) Debtors

Other debtors, legacies receivable and accrued income are recognised at the settlement amount due after any trade discounts. Prepayments are valued at the amount prepaid net of any trade discount.

(m) Cash at bank and in hand

Cash at bank and in hand includes cash in hand and cash held by financial institutions.

(n) Creditors

Creditors are recognised when the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably.

(o) Financial instruments

The charity only has basis financial instruments that result in the recognition of financial assets and financial liabilities. Financial instruments include cash at bank, trade debtors, legacies receivable, accrued income from financial instruments (comprising dividends and interest due from investments), trade creditors and accrued expenditure. Financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

CHILDREN'S HOSPICE SOUTH WEST

Notes to the accounts for the year ended 31 March 2019 (continued)

(p) 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:

Useful economic lives of tangible & intangible assets

The annual depreciation and amortisation charges for the tangible & intangible assets are sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are amended when necessary to reflect current estimates and the physical condition of the assets. See notes 11 and 12 for the carrying amount of the tangible and intangible assets and note 1 for the useful lives for each class of asset.

Impairment of debtors

The group makes an estimate of trade debtors and other debtors. When assessing the impairment of trade debtors and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience.

2. DONATIONS AND LEGACIES

Children's Hospice South West receives donations from a number of diverse sources as shown below:

	Total 2019	Total 2018
	£	£
Individuals	2,523,031	2,908,192
Friends Group fundraising	497,848	445,722
Legacies	3,068,376	3,889,938
Grants and donations from Charitable Trusts	341,370	363,251
Other voluntary income	906,050	1,173,912
	<u>7,336,675</u>	<u>8,781,015</u>

3. INVESTMENT INCOME

	Total 2019	Total 2018
	£	£
Income from listed investments:		
UK	213,621	260,914
Overseas	36,550	21,769
Multi-asset funds	84,097	79,187
Income from cash deposits	17,740	15,737
Rental Income	9,419	8,622
	<u>361,427</u>	<u>386,229</u>

CHILDREN'S HOSPICE SOUTH WEST

Notes to the accounts for the year ended 31 March 2019 (continued)

4. INCOME AND EXPENDITURE OF TRADING ACTIVITIES

Total trading income comprises:

	2019	2018
	£	£
C H S W Promotions Limited	187,713	141,688
Lottery and raffles	801,881	803,465
Donations relating to the sale of goods where the shops acted as agent	883,434	706,399
Gift Aid received on donations where the shops acted as agent	220,858	154,196
Shops turnover	<u>2,360,852</u>	<u>2,062,984</u>
Total	<u>4,454,738</u>	<u>3,868,732</u>

Total trading expenditure comprises:

	2019	2018
	£	£
C H S W Promotions Limited	187,651	139,669
Lottery and raffles	173,968	188,675
Shops (all associated costs including depreciation)	<u>2,969,660</u>	<u>2,761,089</u>
Total	<u>3,331,279</u>	<u>3,089,433</u>

The principal activity of the charity's wholly owned subsidiary, C H S W Promotions Limited (company number 02645823) is the sale of bought-in goods, including Christmas cards, through the charity shops of the parent charity and through its network of Friends Groups and by mail order.

The income and expenditure of C H S W Promotions Limited are disclosed as 'trading' income and expenditure in the Consolidated Statement of Financial Activities on page 31.

	2019	2018
	£	£
Turnover	187,713	141,688
Total Expenditure	<u>(187,651)</u>	<u>(139,669)</u>
Operating profit and profit before tax	62	2,019
Taxation	<u>-</u>	<u>-</u>
Profit after taxation	<u>62</u>	<u>2,019</u>
Retained earnings at the beginning of the year	2,219	200
Distribution of retained earnings as gift aid donation to parent	<u>(2,019)</u>	<u>-</u>
Retained earnings at the end of the year	<u>262</u>	<u>2,219</u>
Assets	51,287	35,331
Liabilities	<u>(50,925)</u>	<u>(33,012)</u>
Net Assets	<u>362</u>	<u>2,319</u>

CHILDREN'S HOSPICE SOUTH WEST

Notes to the accounts for the year ended 31 March 2019 (continued)

5. INCOME FROM CHARITABLE ACTIVITIES

	Total 2019 £	Total 2018 £
Funding from regional Clinical Commissioning Groups (CCGs)	878,224	873,496
NHS England Children's Hospice grant	762,673	762,673
NHS England Superannuation grant	33,800	33,800
NHS England Health education placements	11,294	8,694
Total income from charitable activities	<u>1,685,991</u>	<u>1,678,663</u>

Children's Hospice South West acknowledges the award of grants for Little Bridge House, Charlton Farm and Little Harbour from the NHS England Children's Hospice grant. The project undertakes to sustain and develop existing high quality hospice care for palliative care children, their siblings and parents. It promotes education and learning needs of all those working in the sector in a responsive and flexible way. The funding and associated expenditure have been treated as movements in restricted funds.

In 2010 the charity succeeded in establishing contractual arrangements with the six Clinical Commissioning Groups (CCGs) whose areas the charity covers. These arrangements were constructed at the behest of government. A price per bed night has been agreed and it has also been agreed the volume of bed nights each CCG will purchase. There are no unfulfilled conditions in respect of these contractual arrangements.

6. TOTAL EXPENDITURE

	Staff Costs £	Direct Costs £	Support Costs £	Total 2019 £	Total 2018 £
Costs of raising funds	3,153,616	2,281,630	-	5,435,246	5,196,519
Care of children & families	6,586,711	1,760,788	678,480	9,025,979	8,479,633
	<u>9,740,327</u>	<u>4,042,418</u>	<u>678,480</u>	<u>14,461,225</u>	<u>13,676,152</u>

Governance costs of £48,110 are included within support costs and comprise the costs of running the charity. This includes insurance £998, external audit £15,487, consultancy fees and legal advice for the trustees £25,362 and all costs of complying with constitutional and statutory requirements such as the costs of Board and Committee meetings £6,263.

CHILDREN'S HOSPICE SOUTH WEST

Notes to the accounts for the year ended 31 March 2019 (continued)

7. SUPPORT COSTS

Support costs reallocated to the expenditure category of care are as follows:

	Total 2019 £	Total 2018 £
Communications & IT	559,122	537,085
Human Resources	361,233	382,847
Executive Office	194,634	192,313
Governance	48,110	23,807
Finance	346,725	327,935
Central Offices	71,744	70,980
Total Support Costs	1,581,568	1,534,967
Less: Staff Costs	(903,088)	(884,314)
	<u>678,480</u>	<u>650,653</u>

8. EMPLOYEE INFORMATION

Staff costs:

	2019 £	2018 £
Salaries and wages	8,359,993	7,921,012
Social Security costs	685,906	653,321
Pension costs	694,428	638,798
	<u>9,740,327</u>	<u>9,213,131</u>

Two employees earned between £60,000 and £70,000 per annum in the year (2017-18 (restated): three). Four employees earned between £70,000 and £80,000 per annum in the year (2017-18 (restated): one). One employee earned between £100,000 and £110,000 per annum in the year (2017-18 (restated): one).

Retirement benefits are accruing under a defined benefit scheme for three (2017-18: one) of these higher paid employees. In addition, the charity paid £29,996 (2017-18 (restated): £29,199) into a defined contribution pension scheme for four (2017-18 (restated): four) of these higher paid employees. Salaries and wages include contributions in respect of salary exchange agreements in addition to contractual salary. The previous year has been restated to provide a meaningful comparison.

All trustees and certain senior employees who have authority and responsibility for planning, directing and controlling the activities of the Charity are considered to be key management personnel. Total employment costs (including social security and pension contributions) in respect of senior employees is £529,532 (2017-18: £512,096). As stated in note 9, there is no cost of employment in respect of the trustees.

During the year, redundancy and settlement payments were made totalling £18,493 (2017-18: £18,892). At 31 March 2019 the payments outstanding were £3,150 (2017-18: £13,128).

CHILDREN'S HOSPICE SOUTH WEST

Notes to the accounts for the year ended 31 March 2019 (continued)

8. EMPLOYEE INFORMATION (continued)

The average number of persons employed by the charity during the year was:

	2019		2018	
	FTE	Total	FTE	Total
Hospice services	143	181	137	172
Fundraising and publicity	51	60	50	59
Trading	66	95	63	89
Management and Finance	21	24	21	24
	<u>281</u>	<u>360</u>	<u>271</u>	<u>344</u>

9. TRUSTEES' REMUNERATION AND RELATED PARTY TRANSACTIONS

None of the directors / trustees received emoluments or benefits in kind during the year in respect of their duties as a trustee (2017-18: nil). Four of the directors / trustees received reimbursement of expenses in the year of £1,004 (2017-18: three directors / trustees £2,285) for travel and subsistence.

During the year the charity recharged expenses of £107,424 (2017-18: £72,397) to C H S W Promotions Limited and remittances were £91,509 (2017-18: £80,876). The amount due from C H S W Promotions at the year end was £45,044 (2017-18: £29,129) which is included in debtors. Included within this debtor is management recharges of £89,520 (2017-18: £60,331).

10. NET INCOME FOR THE YEAR

The net income is stated after charging:

	2019	2018
	£	£
Depreciation and amortisation of owned tangible & intangible fixed assets	1,102,457	1,006,736
Loss/(profit) on disposal of fixed assets	8,126	(13,675)
Operating lease rentals	731,866	659,047
Auditor's remuneration - audit fees	18,087	16,000
- audit fees - previous auditor	-	267
- other fees	787	4,875

CHILDREN'S HOSPICE SOUTH WEST

Notes to the accounts for the year ended 31 March 2019 (continued)

11. TANGIBLE FIXED ASSETS

Charity & Group	Freehold Land and Properties £	Leasehold Property £	Motor vehicles £	Office furniture & equipment £	Fittings & other equipment £	Total £
Cost:						
At 1 April 2018	21,621,475	533,157	262,216	910,980	2,502,874	25,830,702
Additions	4,669	62,441	16,326	76,793	134,780	295,009
Disposals	-	(8,489)	(12,195)	(30,136)	(56,316)	(107,136)
At 31 March 2019	<u>21,626,144</u>	<u>587,109</u>	<u>266,347</u>	<u>957,637</u>	<u>2,581,338</u>	<u>26,018,575</u>
Depreciation:						
At 1 April 2018	1,231,713	139,315	189,758	550,225	1,614,486	3,725,497
Charged in the year	462,983	76,182	31,803	162,889	207,952	941,809
Disposals	-	(1,441)	(12,195)	(30,136)	(55,093)	(98,865)
At 31 March 2019	<u>1,694,696</u>	<u>214,056</u>	<u>209,366</u>	<u>682,978</u>	<u>1,767,345</u>	<u>4,568,441</u>
Net book value:						
At 31 March 2019	<u>19,931,448</u>	<u>373,053</u>	<u>56,981</u>	<u>274,659</u>	<u>813,993</u>	<u>21,450,134</u>
At 31 March 2018	<u>20,389,762</u>	<u>393,842</u>	<u>72,458</u>	<u>360,755</u>	<u>888,388</u>	<u>22,105,205</u>

All the above assets are used on a continuing basis in pursuit of the charity's activities.

FREEHOLD LAND AND PROPERTIES

Charity & Group	Little Bridge		Little		Total
Cost:	House	Charlton	Farm	Harbour	£
	£	£	£	£	£
At 1 April 2018	3,466,813	12,439,356	5,715,306	-	21,621,475
Additions	3,475	1,194	-	-	4,669
At 31 March 2019	<u>3,470,288</u>	<u>12,440,550</u>	<u>5,715,306</u>	<u>-</u>	<u>21,626,144</u>
Depreciation:					
At 1 April 2018	829,381	267,782	134,550	-	1,231,713
Charged in the year	101,470	267,086	94,427	-	462,983
At 31 March 2019	<u>930,851</u>	<u>534,868</u>	<u>228,977</u>	<u>-</u>	<u>1,694,696</u>
Net book value:					
At 31 March 2019	<u>2,539,437</u>	<u>11,905,682</u>	<u>5,486,329</u>	<u>-</u>	<u>19,931,448</u>
At 31 March 2018	<u>2,637,432</u>	<u>12,171,574</u>	<u>5,580,756</u>	<u>-</u>	<u>20,389,762</u>

Included in the above is land totalling £2,947,681 which is not depreciated.

CHILDREN'S HOSPICE SOUTH WEST

Notes to the accounts for the year ended 31 March 2019 (continued)

12. INTANGIBLE FIXED ASSETS

Charity & Group	Computer Software £
Cost:	
At 1 April 2018	715,760
Additions	-
Disposals	<u>(13,978)</u>
At 31 March 2019	<u>701,782</u>
Amortisation:	
At 1 April 2018	227,342
Charged in the year	160,648
Disposals	<u>(13,978)</u>
At 31 March 2019	<u>374,012</u>
Net book value:	
At 31 March 2019	<u>327,770</u>
At 31 March 2018	<u>488,418</u>

Intangible fixed assets comprise computer software and project management that will be used by the charity on a continuing basis.

13. (a) INVESTMENTS

	Group		Charity	
	2019	2018	2019	2018
	£	£	£	£
Listed investments:				
UK equities and bonds at cost	4,332,505	4,353,735	4,332,505	4,353,735
Overseas equities and bonds at cost	1,733,749	1,561,495	1,733,749	1,561,495
Multi-fund assets at cost	2,713,625	2,747,809	2,713,625	2,747,809
Other assets at cost	1,595,820	1,479,285	1,595,820	1,479,285
Cumulative net gains on revaluation at period end	<u>1,350,101</u>	<u>1,206,091</u>	<u>1,350,101</u>	<u>1,206,091</u>
Market value at period end [Note 13(b)]	11,725,800	11,348,415	11,725,800	11,348,415
Cash held as part of investment portfolios	<u>317,376</u>	<u>261,626</u>	<u>317,376</u>	<u>261,626</u>
	12,043,176	11,610,041	12,043,176	11,610,041
Other investments:				
Donated land held for investment purposes	86,000	86,000	86,000	86,000
Cash held on deposit	3,047,514	3,040,962	3,047,514	3,040,962
Investment in C H S W Promotions Limited				
Shares at cost	-	-	100	100
	<u>15,176,690</u>	<u>14,737,003</u>	<u>15,176,790</u>	<u>14,737,103</u>

CHILDREN'S HOSPICE SOUTH WEST

Notes to the accounts for the year ended 31 March 2019 (continued)

13. (a) INVESTMENTS (continued)

The charity's investment portfolio was managed by Cazenove Capital Management and Sarasin & Partners throughout the period. Investments are held in a diverse portfolio of funds, managed by Sarasin, Cazenove and other fund managers, and in Government stocks. The only holdings in excess of 5% of total investments were Sarasin Endowments Fund (10.8%), Cazenove's Charities Equity Income Fund (7.3%) and Schroder Sterling Corporate Bond (5.9%).

C H S W Promotions Limited is a wholly owned subsidiary which is registered in England and Wales and whose principal activity is the sale of bought-in goods for the benefit of Children's Hospice South West. The shares are Ordinary Shares of £1 each and are shown at cost. The company pays its taxable profits to the charity under Gift Aid.

13. (b) LISTED INVESTMENTS MARKET VALUE

Group and Charity	2019	2018
Listed investments:	£	£
Market value at 1 April	11,348,415	11,288,993
Additions at cost	996,220	766,859
Sales proceeds	(866,170)	(569,938)
Equalisations	(158)	-
Net (losses)/gains	247,493	(137,499)
At 31 March	<u>11,725,800</u>	<u>11,348,415</u>

14. STOCK

	Group		Charity	
	2019	2018	2019	2018
	£	£	£	£
Stock for resale	<u>19,730</u>	<u>18,191</u>	<u>-</u>	<u>1,302</u>

15. DEBTORS

	Group		Charity	
	2019	2018	2019	2018
	£	£	£	£
Amounts owed by group undertakings	-	-	45,044	29,129
Legacies receivable	326,783	298,775	326,783	298,775
Other debtors including tax recoverable	447,957	487,184	433,637	478,121
Prepayment and accrued interest	393,527	400,955	393,527	400,955
	<u>1,168,267</u>	<u>1,186,914</u>	<u>1,198,991</u>	<u>1,206,980</u>

CHILDREN'S HOSPICE SOUTH WEST

Notes to the accounts for the year ended 31 March 2019 (continued)

16. CREDITORS FALLING DUE WITHIN ONE YEAR

	Group		Charity	
	2019	2018	2019	2018
	£	£	£	£
Trade creditors	255,932	195,593	254,966	195,563
Taxation and social security	174,824	176,379	174,824	176,379
Sundry creditors	333,618	298,125	333,602	297,572
Accruals and deferred income	311,736	311,514	306,836	308,214
	<u>1,076,110</u>	<u>981,611</u>	<u>1,070,228</u>	<u>977,728</u>

Deferred income of £209,124 arose in the year and £205,772 brought forward from 2017-18 was released. Deferred income includes income relating to registrations and sponsorship for upcoming events £128,775 (17/18: £127,191) and lottery subscriptions for future draws £80,349 (17/18: £78,581).

17. ENDOWMENT FUND

During 2007 the charity received an expendable endowment of £1 million, the income from which is restricted. This income funds care staff costs at Charlton Farm and, in particular, the post of Head of Care. Income in 2018-19 is £39,492 (2017-18: £46,062) and is included in restricted funds income on the Statement of Financial Activities. The gain in 2018-19 is £28,886 (2017-18: loss £16,203).

Group and Charity	1 April 2018	Income	Expenditure	Gains/ (losses)	31 March 2019
	£	£	£	£	£
Endowment	<u>1,447,335</u>	-	-	<u>28,886</u>	<u>1,476,221</u>

Group and Charity	1 April 2017	Income	Expenditure	(Losses)/ gains	31 March 2018
	£	£	£	£	£
Endowment	<u>1,463,538</u>	-	-	<u>(16,203)</u>	<u>1,447,335</u>

CHILDREN'S HOSPICE SOUTH WEST

Notes to the accounts for the year ended 31 March 2019 (continued)

18. RESTRICTED FUNDS

Group and Charity	1 April 2018 £	Income £	Expenditure £	Transfer between funds £	31 March 2019 £
Little Harbour capital	380,000	-	-	-	380,000
	380,000	-	-	-	380,000
NHS England grants	-	807,639	(807,639)	-	-
Little Bridge House funds	41,243	484,264	(415,443)	(48,877)	61,187
Charlton Farm funds	117,680	300,054	(183,594)	(25,307)	208,833
Little Harbour funds	50,551	611,956	(598,953)	(13,017)	50,537
CHSW Funds	22,607	17,720	(32,030)	-	8,297
	612,081	2,221,633	(2,037,659)	(87,201)	708,854

Group and Charity	1 April 2017 £	Income £	Expenditure £	Transfer between funds £	31 March 2018 £
	restated				
Little Bridge House capital	464,704	-	-	(464,704)	-
Charlton Farm capital	10,920,416	-	-	(10,920,416)	-
Little Harbour capital	5,279,306	-	-	(4,899,306)	380,000
CHSW capital	378	-	-	(378)	-
	16,664,804	-	-	(16,284,804)	380,000
CCG grants	-	907,296	(907,296)	-	-
NHS England grants	-	762,673	(762,673)	-	-
Little Bridge House funds	74,609	124,168	(112,876)	(44,658)	41,243
Charlton Farm funds	75,243	253,504	(208,541)	(2,526)	117,680
Little Harbour funds	51,942	550,328	(515,747)	(35,972)	50,551
CHSW Funds	57,805	72,747	(80,062)	(27,883)	22,607
Caroline Thorpe Charitable Trust	11,148	-	(11,148)	-	-
	16,935,551	2,670,716	(2,598,343)	(16,395,843)	612,081

The NHS England grant is the NHS England 'Children's Hospice grant' which was given to sustain and develop the existing high quality hospice care for palliative care children, their siblings and parents.

The Little Bridge House, Charlton Farm, Little Harbour and CHSW funds include donations towards specific projects at each hospice and across the whole charity, including music therapy, equipment, rooms and gardens, parties and presents, play equipment and materials, salary and other revenue costs, and funding of mums and dads groups. One of these donations was individually material, in excess of £50,000. A generous legacy of £62,000 was received for the purpose of purchasing equipment or maintaining standards at Charlton Farm.

Other legacies and donations are restricted to be spent at a specific hospice. Six restricted legacies were over £50,000, of which a total of £316,000 was donated for Little Harbour and £306,503 was for Little Bridge House.

Transfers between funds represent the amounts spent on capital assets from revenue funds. Only assets with a continuing restriction are maintained as restricted funds.

CHILDREN'S HOSPICE SOUTH WEST

Notes to the accounts for the year ended 31 March 2019 (continued)

19. UNRESTRICTED FUNDS

	1 April 2018	Income	Expenditure	Investment (losses)/ gains	Transfer between funds	31 March 2019
	£	£	£	£	£	£
2018-19 Group						
Designated capital funds	22,213,623	-	(1,110,728)	-	295,009	21,397,904
Jill Farwell's Memorial fund	43,995	-	(22,390)	-	-	21,605
Care & Development fund	1,365,127	-	-	-	(1,365,127)	-
Total designated funds	23,622,745	-	(1,133,118)	-	(1,070,118)	21,419,509
Unrestricted general funds	14,215,637	11,618,594	(11,290,448)	218,607	1,157,319	15,919,709
Total unrestricted funds	37,838,382	11,618,594	(12,423,566)	218,607	87,201	37,339,218

	1 April 2018	Income	Expenditure	Investment (losses)/ gains	Transfer between funds	31 March 2019
	£	£	£	£	£	£
2018-19 Charity						
Designated capital funds	22,213,623	-	(1,110,728)	-	295,009	21,397,904
Jill Farwell's Memorial fund	43,995	-	(22,390)	-	-	21,605
Care & Development fund	1,365,127	-	-	-	(1,365,127)	-
Total designated funds	23,622,745	-	(1,133,118)	-	(1,070,118)	21,419,509
Unrestricted general funds	14,213,418	11,620,613	(11,290,510)	218,607	1,157,319	15,919,447
Total unrestricted funds	37,836,163	11,620,613	(12,423,628)	218,607	87,201	37,338,956

	1 April 2017	Income	Expenditure	Investment (losses)/ gains	Transfer between funds	31 March 2018
	£	£	£	£	£	£
2017-18 Group						
	restated					
Designated capital funds	5,965,028	-	(1,009,578)	-	17,258,173	22,213,623
Jill Farwell's Memorial fund	38,350	-	(19,355)	-	25,000	43,995
Care & Development fund	4,848,159	-	(289)	-	(3,482,743)	1,365,127
Total designated funds	10,851,537	-	(1,029,222)	-	13,800,430	23,622,745
Unrestricted general funds	9,726,924	12,063,183	(10,048,587)	(121,296)	2,595,413	14,215,637
Total unrestricted funds	20,578,461	12,063,183	(11,077,809)	(121,296)	16,395,843	37,838,382

	1 April 2017	Income	Expenditure	Investment (losses)/ gains	Transfer between funds	31 March 2018
	£	£	£	£	£	£
2017-18 Charity						
	restated					
Designated capital funds	5,965,028	-	(1,009,578)	-	17,258,173	22,213,623
Jill Farwell's Memorial fund	38,350	-	(19,355)	-	25,000	43,995
Care & Development fund	4,848,159	-	(289)	-	(3,482,743)	1,365,127
Total designated funds	10,851,537	-	(1,029,222)	-	13,800,430	23,622,745
Unrestricted general funds	9,726,724	12,063,183	(10,050,606)	(121,296)	2,595,413	14,213,418
Total unrestricted funds	20,578,261	12,063,183	(11,079,828)	(121,296)	16,395,843	37,836,163

CHILDREN'S HOSPICE SOUTH WEST

Notes to the accounts for the year ended 31 March 2019 (continued)

The trustees have established designated capital funds which are equivalent to the net book value of unrestricted tangible and intangible fixed assets used to enable Children's Hospice South West to carry out its charitable work. Of the net transfers between funds, £87,201 represent the amounts spent on capital assets from restricted funds where the restrictions on the donations for assets have been fulfilled. In the year £207,808 was spent on capital from general unrestricted funds and was transferred to designated capital funds. In addition, £1,313,782 was transferred from the designated Care and Development Fund to unrestricted general funds.

Jill Farwell's Memorial Fund was established by donations to remember Jill's death in September 2004. The trustees, together with Eddie Farwell, decided that the funds will be used to provide ongoing music therapy.

Unrestricted general funds have the primary aim of reducing the dependency of the charity on any of its income streams as they develop in the future and to specifically fund essential projects to improve the service of the organisation.

20. ANALYSIS OF FUND BALANCES BETWEEN THE NET ASSETS

As at 31 March 2019	Unrestricted £	Restricted £	Endowment £	Total £
Fixed assets	21,397,904	380,000	-	21,777,904
Investments	13,700,469	-	1,476,221	15,176,690
Net current assets	<u>2,240,845</u>	<u>328,854</u>	<u>-</u>	<u>2,569,699</u>
	<u>37,339,218</u>	<u>708,854</u>	<u>1,476,221</u>	<u>39,524,293</u>
As at 31 March 2018	Unrestricted £	Restricted £	Endowment £	Total £
Fixed assets	22,213,623	380,000	-	22,593,623
Investments	13,289,668	-	1,447,335	14,737,003
Net current assets	<u>2,335,091</u>	<u>232,081</u>	<u>-</u>	<u>2,567,172</u>
	<u>37,838,382</u>	<u>612,081</u>	<u>1,447,335</u>	<u>39,897,798</u>

21. STATUS OF THE CHARITABLE COMPANY

The charity is a company limited by guarantee, having no share capital. The liability of each member, in the event of winding-up, is limited to £1.

CHILDREN'S HOSPICE SOUTH WEST

Notes to the accounts for the year ended 31 March 2019 (continued)

22. OPERATING LEASE COMMITMENTS

The total commitment under operating leases for premises is as follows:

Payments falling due:	2019	2018
	£	£
Within one year	703,059	624,166
Between two and five years	2,235,299	1,860,648
In more than five years	<u>923,202</u>	<u>467,383</u>

The total commitment under operating leases for other assets is as follows:

Payments falling due:	2019	2018
	£	£
Within one year	41,135	51,728
Between two and five years	<u>26,749</u>	<u>77,372</u>

23. PENSION COMMITMENTS

CHSW employees belonged to two principal pension schemes during the year. The NHS pension scheme for eligible staff is a defined benefit scheme. Non eligible members of staff are offered a defined contribution scheme administered by Scottish Widows.

NHS Scheme

Only ex-NHS qualified doctors and nurses are eligible to join the NHS scheme. The NHS scheme is a multi-employer defined benefit pension scheme. As the charity is unable to identify its share of the assets and liabilities of the scheme on a consistent and reliable basis, the scheme is treated by the charity as if it were a defined contribution scheme, in accordance with FRS 102 'Retirement benefits'.

Total pension contributions and liabilities

The total pension costs, excluding salary exchange, charged in the year represent the charity's contributions to all the schemes and amounted to £694,428 (2017-18 (restated): £638,798). The charity's contributions outstanding at 31 March 2019 were £58,714 (2018 (restated): £55,484). The assets and liabilities of both schemes are held separately from those of the charity, in independently administered pension schemes.

CHILDREN'S HOSPICE SOUTH WEST

Notes to the accounts for the year ended 31 March 2019 (continued)

24. INDEMNITIES

Legacies

The charity has indemnified the executors of 3 estates in respect of residuary legacies distributed to the charity. The maximum liability under the indemnities at the date the accounts were approved is £27,437 (2017-18: £27,437).

Solicitors' unclaimed client funds

Following the passing of relevant legislation, solicitors are now permitted to distribute to charities certain unclaimed client funds, however an indemnity is required from those charities to indefinitely commit to refund any funds that are subsequently claimed. The total of the charity's indemnities is £97,537 (2017-18: £91,515).

25. LEGACIES RECEIVABLE

As at 31st March 2019 the charity had been notified of a number of residuary legacies, the values of which were uncertain, as the executors were awaiting confirmation of other claims on the estate and may also be in the process of realising assets such as residential property. The estimated total of these legacies could be up to £1.1m.

None of these legacies have been accrued in the financial statements.

26. NOTE TO CASH FLOW STATEMENT

(a) Reconciliation of net movement in funds to net cash flow from operating activities

	2019	2018
	£	£
Net movement in funds	(373,505)	920,248
Add back: Depreciation and amortisation charges	1,102,457	1,006,736
Add back: gains on investments	(247,493)	137,499
Deduct: Investment income and deposit interest	(361,427)	(386,229)
Loss/(profit) on disposal of fixed assets	8,126	(13,675)
(Increase) in stocks	(1,539)	(1,598)
Decrease in debtors	18,646	126,855
Increase/(decrease) in creditors	94,498	(17,729)
Net cash provided by operating activities	<u>239,763</u>	<u>1,772,107</u>

(b) Analysis of changes in net cash resources

	2018	Cashflow	2019
	£	£	£
Cash at bank and in hand	<u>2,343,678</u>	<u>114,134</u>	<u>2,457,812</u>

CHILDREN'S HOSPICE SOUTH WEST

Notes to the accounts for the year ended 31 March 2019 (continued)

27. PRIOR YEAR CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

	Notes	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	TOTAL 2018 Funds £
Income from:					
Donations and legacies	2	7,835,024	945,991	-	8,781,015
Charitable activities	5	-	1,678,663	-	1,678,663
Trading Activities	4	3,868,732	-	-	3,868,732
Investments	3	340,167	46,062	-	386,229
Other		19,260	-	-	19,260
Total income		12,063,183	2,670,716	-	14,733,899
Expenditure on:					
Trading activities	4	3,089,433	-	-	3,089,433
Total Income net of trading expenditure		8,973,750	2,670,716	-	11,644,466
Expenditure on:					
Raising funds	6	2,080,611	-	-	2,080,611
Investment Management	6	26,475	-	-	26,475
Net income available for charitable activities		6,866,664	2,670,716	-	9,537,380
Charitable activities:					
Care of children and families	6	5,881,290	2,598,343	-	8,479,633
Total expenditure	6	11,077,809	2,598,343	-	13,676,152
Net income before gains/(losses) on investments	10	985,374	72,373	-	1,057,747
Net (losses)/gains on investments	13(b)	(121,296)	-	(16,203)	(137,499)
Net income		864,078	72,373	(16,203)	920,248
Transfer between funds	18	16,395,843	(16,395,843)	-	-
Net movement in funds		17,259,921	(16,323,470)	(16,203)	920,248
Reconciliation of funds:					
Total funds brought forward	20	20,578,461	16,935,551	1,463,538	38,977,550
Total funds carried forward	20	37,838,382	612,081	1,447,335	39,897,798

CHILDREN'S HOSPICE SOUTH WEST
Brief Description of Trustees

Dr Simon Langton-Hewer

Simon was appointed to Bristol Royal Hospital for Children as a Consultant in General and Respiratory Paediatrics in September 1998. He had previous training in Respiratory Medicine, Paediatric Intensive Care Medicine and General Paediatrics. Since working in Bristol he has had a lot to do with children with Cystic Fibrosis and children with neuromuscular diseases who have non-invasive and sometimes invasive ventilation.

A number of the children that Simon looks after have been cared for by our care teams and have died at one of the children's hospices and he is delighted to be able to provide some medical guidance and advice as a trustee of Children's Hospice South West.

Gerry Sones

Gerry is a qualified Human Resources (HR) professional and worked for Devon County Council in that capacity from 1974 to 2012. He has occupied a number of senior positions including Deputy Head of Employee Relations and was responsible for the delivery of a comprehensive HR service to DCC.

Gerry also provides a comprehensive HR service to a number of public or "not for profit" organisations in the South West. He has long had a personal interest in the work of CHSW and has always been keen to lend his support in a variety of ways.

Stephen Hindley CBE, DL

Steve is Chairman and Chief Executive of Midas Construction. He brings a wealth of experience with him and is currently the Chairman of CBI Construction and was awarded a CBE in the 2006 New Year's Honours List for his services to the construction industry. Steve was also appointed Deputy Lord Lieutenant of Devon in 2009 and so brings a considerable knowledge of the local community to the charity.

David Turner

David Turner is a partner in the local law firm of Kitsons LLP. Qualifying as a lawyer in 1991 and carrying out his training in the City of London he has worked and lived in the South West for the last 20 years. He is a well-recognised lawyer and writes and lectures on a variety of legal topics. He is a past President of the Devon and Somerset Law Society and is currently a Governor of Queen's College, Taunton.

David has been actively involved in raising money for Children's Hospice South West for a number of years and has presented a number of charity business quizzes over this time raising money for the Hospice and also raising the hospice's profile.

CHILDREN'S HOSPICE SOUTH WEST
Brief Description of Trustees (continued)

Karen Rogers

Karen has worked in education for 30 years and was Headteacher of Lampard Community Special School, in Barnstaple for seven years. The school caters for children aged 5 – 16 years with complex learning difficulties and disabilities. Karen brings a wealth of experience in leadership and management having previously worked in large secondary schools in London and Devon and for the University of Plymouth.

Karen is involved in a number of community groups and charities and has previously led a local group for a national charity supporting underprivileged children in Chernobyl and also chaired a Co-operative Trust of Special Schools in Devon.

Beverley Horler

Beverley is a board executive who, in December 2014, retired early from HSBC Bank and is now undertaking a number of non-executive director positions.

She worked for the bank for over 35 years in senior positions, including regional director for the South West region. Latterly, she was based in London where she was responsible for the UK branch network and wealth management business of 14,000 people and 1,100 branches.

She has significant experience across a wide range of business areas including strategy, finance and multi-channel leadership. She is passionate about talent development and has led an HSBC global talent development programme in India.

As Regional Director for the South West, she and her colleagues worked closely with CHSW in a fundraising capacity for the Charity and her interest and enthusiasm for its work has continued since then.

Damian Whittard

Damian leads the economics group at the University of the West of England. He is an applied economist who has spent much of his career working in policy. He has been a member of various committees and working groups for organisations such as the Bank of England; European Central Bank; Organisation for Economic Cooperation and Development; Eurostat; and various UK Government Departments. Damian is currently an academic assessor for the Government Economic Service and a member of the West of England Local Enterprise Panel of Economic Experts. He is currently involved in research on spatial economics, well-being and learning outcomes in economics education.

CHILDREN'S HOSPICE SOUTH WEST
Brief Description of Trustees (continued)

Nicola Mason

Nicki is a Marketing Procurement Consultant with over 30 years global experience and currently divides her time between Gloucester, France and Germany. She has served on several boards since 2001 and been actively involved in fundraising for larger charities throughout her career. Following first-hand support she and her family received at a children's hospice for her late granddaughter, she was inspired to bring her fundraising and marketing experience to CHSW as a trustee.

Patricia Morris

Tricia is very pleased to be able to use the skills gained from working for over 40 years in health and care as she makes the transition from being a Management and Training Consultant to being retired.

Qualifying in 1974 as an Occupational Therapist Tricia's early career was spent working with children with special needs, their families, carers and teachers. As her family grew up she studied for a Masters Degrees in Health Psychology and Business Administration. Career progression took Tricia more into management roles and eventually in 2003 she founded Kibo Consultants Ltd to provide a broad range of service improvement and project management services to the NHS, local government and the voluntary sector. Many of the highlights of her career relate to being able to make a positive difference to children's lives.

Liz Redfern CBE

Liz qualified as a children's and adult nurse in 1974, and after a varied career in the NHS, including 15 years' experience at Board level, she retired as deputy Chief Nurse for England in March 2014. Her career included national, regional and NHS Trust level strategic and operational posts with clinical, educational, managerial, leadership and regulatory accountabilities. She also chaired a number of quality reviews into poorly performing hospitals.

In 2009 Liz was awarded a CBE in the Queen's Birthday Honours List for her services to nursing and healthcare.

She is currently a Non-Executive Director of North Bristol Trust and a Trustee of Bampton Heritage and Visitor Centre. She lives in Bampton and enjoys singing in a community choir, gardening and being retired.

CHILDREN'S HOSPICE SOUTH WEST
Brief Description of Trustees (continued)

Roger Knight

Roger Knight is a retired accountant. Born and raised in Devon, and recently returned after many years away. Roger was, for more than 20 years, a partner with a major international firm of accountants in London and then in Hong Kong, specialising in the provision of audit services and internal quality and risk management activities. It was in Hong Kong that he first became a supporter of the hospice movement, involving himself in fundraising.

Roger lives in South Devon with his family. He provides expert audit services to accountants, lawyers and regulators in Hong Kong, is a trustee of a local environmental charity, and is involved in fund raising for the local primary school where he also chairs the school committee. He is an avid follower of many sports.

Alan Broughton

Alan has worked in the City as a leading research analyst for over 30 years, in that time also acting as head of global financials research for leading UK, European, US and Canadian banks.

Alan retired from full-time investment banking work in 2004 but has undertaken consultancy positions to date, including acting as expert witness in a number of high profile shareholder class actions with respect to a number of the world's largest banks.

From 2006 Alan has also been actively involved in working as a trustee for a variety of national children's charities, including BBC Children in Need and Action for Children.

Alan is a keen motorcyclist, walker, sailor and cabinet-maker and is married with four children. He currently lives in Exeter.

Elizabeth Childs

Liz is an experienced health professional, training originally as a Children's nurse in London, gaining experience working in a number of teaching hospitals in London and abroad before moving to the South West, initially to Somerset and eventually settling in Devon.

While working in the South West she further developed her leadership career as a Director of Nursing, Deputy Chief Executive and Interim Chief Executive in an acute NHS hospital. During this time she had the opportunity to work extensively on patient safety projects in partnership with organisations both here in the UK and in the USA.

Retiring from full time work in 2013, Liz worked with the Care Quality Commission on the hospital inspection programme in addition to taking up a Non Executive position in an NHS trust providing mental health and learning disability services within the South West.

CHILDREN'S HOSPICE SOUTH WEST
Brief Description of Trustees (continued)

Kate Martin

Kate has worked as a Paediatrician for almost 25 years having trained in London Teaching Hospitals including Great Ormond Street Hospital. She has been a Consultant in Paediatric Neurodisability specialising in the holistic care of children with life limiting conditions and moved from London in 2006 to lead the Neurodisability Service in BANES and Wiltshire. She also provides core community paediatric services to children and young people within this area.

Since 2016 Kate has led the Paediatric Community Services in Wiltshire having completed an MBA at the University of Bath. Kate has worked closely with the team at Charlton Farm since moving to the South West.

Eddie Farwell MBE, Hon LLD (Chief Executive)

Co-Founder of CHSW with his late wife Jill, Eddie worked to raise funds for the charity from 1991-1996 whilst at the same time being employed for Devon County Council as District Manager for Social Services in North Devon. As a social work practitioner Eddie specialised in Psychiatric Social Work and Child Protection. As a senior manager he was responsible for a budget of £15m which included the management of residential homes for the elderly, children, and the mentally ill as well as fieldwork services including those prescribed by the Children Act and Mental Health Act. From 1999-2004 Eddie was employed as a strategic planner for the council and specialised in the complex arena of multi-agency service planning. Unusually, Eddie combines the experience of having been a carer of two life limited children with being a fundraiser and the chief executive of a leading regional charity.

Eddie was awarded an MBE in the New Year Honour's List in 2015 for his contribution and services to children's palliative care. The award pays tribute to the visionary and inspirational leadership that Eddie has provided in founding and steering Children's Hospice South West from small beginnings in North Devon to a region wide organisation.

Eddie was also awarded an honorary degree from the University of Exeter in 2016, for his contribution to children's hospice services, recognising the huge and lasting impact he has had on the lives of children and families across the South West.

For further information contact:

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