



**Naomi House
& Jacksplace**

hospices for children
and young adults



WESSEX CHILDREN'S HOSPICE TRUST

(A company limited by guarantee)

Trustees' Report and Financial Statements

For the year ended 31 March 2023

Registered Number: 02601495 (England and Wales)

Charity Number: 1002832



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Reference & Administrative details of the Charity, its Trustees and Advisors

Company Number	02601495 (England and Wales)	
Charity number	1002832	
Registered office	Naomi House, Stockbridge Road, Sutton Scotney, Winchester, SO21 3JE	
Trustees	Trustees, who are also directors under company law, who served during the year and up to the date of this report were as follows:	
	Mrs Faith Ramsay Mr Andrew Meehan	Chair (retired 31st December 2022) Chair (appointed 28th June 2022. Chair appointment from 1st January 2023)
	Mr Julian Cracknell Mr Steve Radjen Dr Michael Miller Mr Julian Walker Mrs Sam Nicolson Mr Shaun Southern Mr Robin Hassan Mr Rob Simpson Mrs Nicola Redfern Ms Helen Burrows Ms Julie Dawes Ms Lucy Smith Ms Jane Ferguson Ms Sarah Webb Mr Alexander Delamere-White	Vice Chair (retired 18th July 2023) Treasurer (resigned 14th March 2023) (resigned 4th May 2023) (appointed 24th January 2023) (appointed 24th January 2023)
Key Management Personnel	Mr Mark Smith Mrs Lesley Brook Mrs Katie Lumsden Ms June Morton Mr Paul Morgan	Chief Executive Officer Director of Care/Deputy CEO Director of Finance Director of Human Resources Director of Fundraising & Communications
Bankers	Royal Bank of Scotland Plc Drummond House, 1 Redheughs Avenue, Edinburgh, EH12 9JN	Barclay's Bank Plc PO Box 612, Ocean Way, Southampton, SO14 2ZP
Solicitors	Blake Morgan New Kings Court, Tollgate Chandlers Ford, SO23 9DA	Gardner Leader White Hart House 24 Market Place, Newbury, RG14 5BA
Independent Auditor	Crowe U.K. LLP Aquis House 49-51 Blagrove Street Reading Berkshire	



Chairman's Statement

Message from the Chair

I am pleased to present the Annual Report and Accounts for Wessex Children's Hospice Trust known as Naomi House & Jacksplace Hospices, as my first report for the charity following my appointment as Trustee in June 2022 and Chair from January 2023.

I am delighted to have been appointed as the new Chair for Naomi House & Jacksplace following relocation to the area served by the Trust. Having previously been Chair of Myton Hospices in Warwickshire. The opportunity to be become Chair of the region's leading specialist hospices for children and young adults was just the role I was looking for. Since my appointment, I have had the chance to meet many of the staff and volunteers who work at the hospices and some of the children, young adults and families we support. I am immensely impressed and proud of the excellent services we provide and look forward to working with my fellow trustees and all the staff, volunteers and supporters of the hospices to develop our services further.

One of my first tasks as Chair is to recognise and thank my predecessor Faith Ramsay for her wonderful service and commitment to the charity over the last ten years, firstly as Trustee and Chair of the Finance Risk and Audit Committee and for the last three years of her term of office, as Chair of the Board of Trustees. During that time, the Charity has seen significant change, not only to the physical buildings in which we operate, but also to the type of services we now need to provide. With the opening of Jacksplace in 2010 and the refurbishment of Naomi House in 2014 we have beautiful state of the art hospice buildings set in the wonderful grounds of the Sutton Manor estate, which provide amazing facilities for the children, young adults and their families who we serve.

Our services are becoming increasingly complex due to medical advances resulting in more children and young people living into adulthood. This means there is a greater need for the provision of Specialist Palliative Care Services and the need for greater investment into the development of staff and workforce to ensure these constantly changing care needs are met. Naomi House & Jacksplace have been working towards these aims for many years working in association with University Hospital Southampton and through the establishment of a specialist consultant team of three, working across the development of Specialist Palliative Care Services, Education and Training and Transition services, we continue to play an important part in the delivery of these now and into the future.

2022-23 has seen a further year of recovery and rebuilding of our services to post pandemic levels although we still have some way to go before we achieve similar volumes of services. We have throughout, continued to remain open 24/7 across both Naomi House & Jacksplace hospices, always responding to end of life care, symptom management, step down and emergency respite when we can and continuing to provide planned respite to families, alternating weeks across the hospices. With the continuing national challenge of nurse and social care staff shortages, we are not isolated from the challenges of recruiting and retaining a qualified staff team which this year has also seen difficulties in recruiting medical cover too.

In response to the challenges of the nurse shortage, we have during the year embarked upon a successful programme of international nurse recruitment and had the opportunity to invest in property in the village of Sutton Scotney, allowing us to provide nurse accommodation for our international recruits and in some cases, their families too. This initiative has seen us recruit six new qualified nurse colleagues from countries across Africa, adding to our workforce whilst bringing a renewed diversity and wide-ranging experience to our team. We also kept pace with the NHS pay review ensuring we remained competitive and indeed ahead of NHS pay through the introduction of a recruitment and retention scheme to encourage nurses and carers to join and remain with us.



All of these initiatives are aimed at providing great services to the children, young adults and families who need us whether it is in the hospices, emotional support and play services in the home, or in hospital through our links with University Hospital Southampton. We continue to develop collaborative approaches with other hospices both children's and adult's locally and play a contributing role in the development of the new Integrated Care Boards.

Financially we have adapted our Fundraising activities to meet changing donor behaviours providing more individualised opportunities for supporters to donate and connect with the work we do. Our Corporate and Trust fundraising has also performed well and our Retail performance continues to exceed expectations. It is however a challenging fundraising market with high competition and restricted disposable income due to the ongoing cost of living crisis.

With only 12% of our income from Government sources, we are able to provide the services we do only due to the continued support of individuals, groups, trusts and companies in the community with the majority of our income coming from voluntary sources, legacies and through our shops and lottery programme. Therefore, I would like to thank everyone who has supported us in the past and continues to do so. We couldn't do what we do without your generous donations.

Finally, on behalf of the board, I would like to extend my grateful thanks to the senior management team, all the staff in every part of the organisation and the very many volunteers for their dedication and unstinting hard work in what continue to be challenging times for everybody.

Andrew Meehan
Chair of the Board of Trustees

"As a young woman with a chronic disability, it's difficult to watch friends and family having independent lives. Coming to Jackspace gives me that independence, even though I am fully dependent on care. Being away from family and my day-to-day care allows me the much-needed space from my daily routine."

Lucy





Trustees' Report

The Trustees are pleased to present their annual report and accounts of the Charity and its subsidiary for the year ending 31 March 2023.

The accounts have been prepared in accordance with:

- the Charities Act 2011
- the Companies Act 2006
- the Memorandum and Articles of Association (incorporated on 15 April 1991, last amended 9th October 2018)
- the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102).

Vision and Mission

OUR VISION

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

OUR MISSION (The Charity's Objectives)

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

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

- People focus
- Openness
- Pride
- Ambition
- Resourcefulness

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

Governance and Public Benefit

The Trustees hold legal responsibility for setting the strategy of the charity and for ensuring the group complies with the Companies Act, Charities Act and Statement of Recommended Practice.

The Trustees delegate the day-to-day operational management of the charity to the Chief Executive and the Senior Management Team to facilitate the effective delivery of the charity's aims and objectives and to ensure compliance with all regulatory requirements.

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

- The first is to ensure that the Trust has a well-defined strategy and is well managed, particularly in terms of safeguarding and supporting children, young adults and their families.



- The second is to ensure the long-term financial sustainability of the Trust in an increasingly uncertain environment and continued inflationary pressures, through prudent use of commissioned and charitable income and control of expenditure.

As a Board we are confident that, while uncertainty remains around income and the cost-of-living crisis, the immediate and foreseeable future of the organisation is secure.

The aim of Naomi House & Jacksplace, is to provide end of life care, symptom management, step down, emergency and planned respite care to children, young adults and their families who live with a life-limiting or life-threatening condition. We operate across the south-central region providing services to families in Hampshire, the Isle of Wight, Berkshire, Dorset, Wiltshire, West Sussex and West Surrey. Our beneficiaries' ages range from babies to young adults up to 35 years and their families. It is entirely consistent with the charity's objective as set out in its governing document, and statement of purpose. Services are delivered free of charge to beneficiaries or are provided under funded arrangements with Statutory bodies.

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

Structure and Management

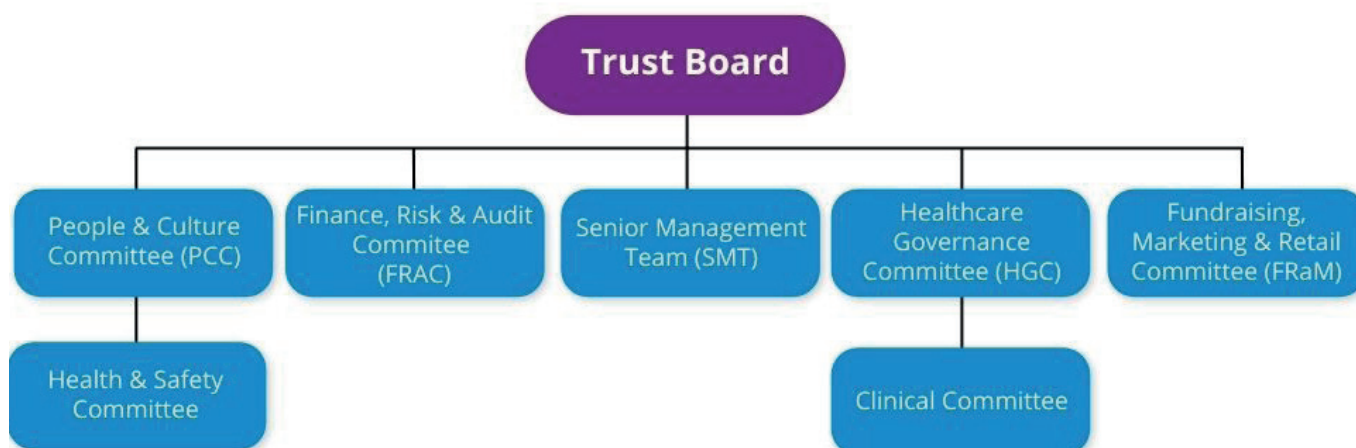
The organisation is a charitable company limited by guarantee, incorporated on 15 April 1991.

The company was established under a Memorandum of Association, which established the objects and powers of the charitable company and is governed under its Articles of Association.

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

Board Committee Structure

Trustees have established standing committees, each with its own terms of reference, as follows:





Trustees' Report Cont.

Trustees are elected in accordance with the memorandum and articles of association by the Trustee Members of the Trust. There are currently 13 Trustee Members who hold voting rights and 33 Advisory Members, all of whom have liability limited to £10.

In line with best practice and the Charity Governance Code, the Board continuously seeks to enhance the diversity of its skill set. Trustees are recruited following open advertisement, are subject to a rigorous interview, probationary period, and induction to support them in becoming effective members of the Board, working in the best interests of the charity. This includes formal Trustee Training with our professional legal advisors and through online training courses. We have this year appointed a new Chair to succeed our former Chair, Faith Ramsay, whose term of office including a one-year extension due to Covid-19 concluded in December 2022.

In February 2022, the Board and Senior Management Team undertook a Governance Review using the Digi-Board online review tool, which is based upon the Charity Governance Code. It includes additional areas of Board Behaviours and Culture, Safeguarding, Governance of Committees, Income Generation and Use of Digital, which then provides an Overall Governance Rating. The Digi-Board Overall Governance Rating scored "Very Well" or "Quite Well" in 15 of the 16 principles and highlighted that we are "OK but could do better" in the principle of Equality, Diversity & Inclusion. Trustees have undertaken work to address the areas for improvement including reviewing the charity's Purpose, Vision and Mission and will continue to progress this work into 2023 by reviewing organisational Values in support of our Equality, Diversity and Inclusion aims.

Equality, Diversity & Inclusion

At Naomi House & Jacksplace, we appreciate how important it is to create a welcoming environment. While a building and its surroundings help to do that, it's our philosophy and ethos that really show who we are and what we can achieve. That is why we are launching an Equality, Diversity and Inclusion Plan to ensure that we create a truly positive and welcoming place for everyone who interacts with us.

The aim of our philosophy is simple: we want Naomi House & Jacksplace to be a place where everyone feels valued, respected and included regardless of their background, identity or experiences; somewhere where they feel they belong. We aim to create a culture where everyone, no matter what race, age, physical ability, religion or sexual orientation, can access our services, work for us, or support us.

The objectives of our plan are clear: as a whole team we will:

- Ensure that all families, children and young people of all backgrounds receive the same high standard of care and support.
- Ensure that opportunities are open to everyone.
- Ensure that our employment practices do not discriminate against group or any individual.
- Promote equality, diversity and inclusion through training and education, understanding and awareness.
- Ensure that the Values of the organisation reflect a Trust wide commitment to equality, diversity and inclusion.
- Encourage feedback from all groups who interact with us, giving us new perspectives to further develop and enhance our culture.
- Develop programmes with organisations and communities who share our commitment to equality, diversity and inclusion.



In our ever-changing society, accepting and welcoming people and their differences is vitally important. Over the next two years we will adopt new practices that enable us to do that. Those practices, will become second nature as we all grow and develop with our wonderful cause, making us an organisation that truly champions equality, diversity and inclusion, a place where everyone feels they belong.

Environmental, Social and Governance (ESG)

We are dedicated to modernising our workplace so that we can meet the needs of our children, young adults and families and thrive for the future.

The Board is driving our leadership team on environmental, social and governance (ESG) and are committed to developing a plan to act on environmental sustainability, drive progress on social issues and reinforce our commitment to strong governance.

As a whole team we will aim to:

Make a positive impact on our environmental sustainability.

Scientific reports continue to reinforce the urgency of climate change and we all have a role to play. It is important that ESG factors in all decision-making processes, ensuring we are here for our future children.

Progress Social Issues

As a charity we have a social impact: providing a safe, supportive, and inclusive environment for our service users. Striving to make progress on our equality, diversity, and inclusivity plan and promoting awareness and understanding through advocacy and education of the issues facing children with life-limiting and life-threatened illnesses.

Reinforce our Commitment to Strong Governance

Strong governance is essential in any organisation, but particularly so in a children's hospice, where the well-being and care of vulnerable children is the top priority. To strengthen our commitment to strong governance we will develop clear policies and procedures, strengthen the diversity of our board trustees and directors, fostering a culture of transparency and accountability, achieved through investment and development of our staff.

This year we are delighted that we've taken positive steps to improve our ESG impact. These initiatives demonstrate our commitment to sustainability and responsible practices. The actions we have taken include:

Governance Review: Conducting a governance review shows our dedication to ensuring strong ethical practices, transparency and accountability within our organisation.

Electric Vehicle Purchase: By purchasing our first electric vehicle, we have made a significant stride towards reducing our carbon footprint.

Assessing Solar Panel Potential: Exploring the potential for solar panels demonstrates our commitment to renewable energy sources.

These initiatives are important steps towards integrating ESG considerations into our organisational culture, ensuring our actions align with sustainable practices and contribute positively to the well-being of the children, young adults and families we serve. Demonstrating our commitment to provide the best possible care while minimising our environmental impact and promoting social responsibility.



Trustees' Report Cont.

Strategic Report

The financial year 2022-23 saw the Trust's activities continuing to recover and rebuild services to pre-pandemic levels and was midway through our 2020-25 Strategy.

Our key strategic aims;

Continue to Make a Difference to Families Everyday

By meeting their needs, delivering high quality specialist care services and to be there when needed.

Afford our Ambitions

Increase our statutory, voluntary and earned income whilst managing costs to develop services in a sustainable way.

Be at the Forefront of a Changing Healthcare Landscape

Maximise the opportunities presented by the NHS Long Term Plan and new NHSE CYP (Children and Young People) Service Specification to work more collaboratively together with other providers and statutory bodies, to improve services for children, young adults and their families.

Our achievements and progress against our key objectives;

Continue to make a difference to families everyday

- 533 children, young adults and their families supported
- The equivalent of 1,803 bed nights provided through overnight and day services
- 32 families receiving End of Life, Symptom Management or Step-Down Care
- 186 children, young people and their families receiving respite or emergency respite care
- 240 sessions of Hydrotherapy and Swim therapy
- Multi-disciplinary in-house Neuromuscular clinics throughout the year

Afford our ambitions

- Income of £7.9million generated.
- Expenditure of £8 million producing an operational deficit of £126k.
- Delivering a safe environment within budget.

Be at the forefront of a changing healthcare landscape

- Member of the Wessex CYP Managed Clinic Network Steering Group.
- Working closely with colleagues from University Hospital Southampton to develop the CYP Service Specification and Network Strategy for the future.
- Active member of the Hampshire & Isle of Wight (HIOW) Hospice Collaborative of 5 hospices holding a place on the HIOW Palliative & End of Life Care Board.
- Membership of the Together for Short Lives Advisory Council representing Children's Hospices Nationally.
- Collaboration with other children's hospices across the region working clinically to improve family choice and place of care.

The Trustees believe we are well positioned for the future. Through continued community support for our work and with our strong financial position, we've been able to make some important investments for the future and plan to continue to do so. The purchase of staff accommodation to assist with nurse recruitment and retention in 2022, along with a planned capital programme of nearly £1.2m in 23/24 including the purchase of a Holiday Lodge in the New Forest helping us to achieve and extend our charitable objectives going forward.



The Trustees plan to increase staff numbers with the aim of increasing services, which will add to the underlying cost base and thereby put the current level of reserves to good use in forthcoming years.

Risk Management - Principal risks and uncertainties

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

During 2022/23 we have transferred our Risk Register onto the Vantage system enabling risks to be more regularly reviewed and assessed by colleagues across the organisation. The Vantage system is also where Incident Reporting is recorded and so our intention is to have a more dynamic Risk Register informed by the incidents recorded and will be an organisational wide system improving the management of incidents, health and safety reporting and risk management overall, providing an organisational view of risks and controls.

Our currently identified key risks are:

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

The Trustees have put in place mitigating measures to manage these risks and monitor the likelihood of these risk events occurring. It is felt that the financial and reputational impact on the Trust, is well controlled. Regular review and updates are managed through the charity's Risk Register and through review by internal governance committees.

Clinical governance is overseen by the Clinical Committee monthly and Healthcare Governance Committee quarterly. The Fundraising, Retail & Marketing Committee monitors the income streams of the Trust. The Finance, Risk & Audit Committee advises the Board on all finance and risk matters, and makes appropriate recommendations, when required. This includes reviewing the annual accounts and budgets, as well as appraising investment performance. The Board receive regular reports from the People & Culture Committee which oversees health, safety, mandatory training and organisational culture.



Trustees' Report Cont.

Care Services

In 2022/2023 we focused on putting the restrictions of the pandemic behind us and returning to the service delivery and activity of pre-pandemic times.

However, the shortage of nursing staff has meant that hospice occupancy has still been limited, despite this we have provided more bed nights in 22/23 than we did in the previous year. The number of beds available for service users to be admitted to is flexed according to staffing and the acuity and dependency of the children and young people to maximise occupancy. This is planned through a duty rota but also reviewed on a shift-by-shift basis. Unfortunately, one area of the service we have little control over is when families cancel their stays with us, however, in 22/23 we managed to replace a third of these nights at short notice.

In addition to respite stays both hospices also provided:

- First Nights (family stays overnight for the very first time) – 44 nights.
- Crisis/Supportive care – 23 nights.
- Symptom management – 24 nights.
- Step down care (transitioning from hospital) – 70 nights.
- End of life care – 142 nights.
- Bereavement care – 65 nights.

Our international nurse recruitment programme has been a major focus through the year with the challenges of training and NMC registration, alongside psychosocial and cultural integration for the whole team. However, by March 2023 we had reached a point of supporting 5 NMC registered nurses working independently within our care team.

Despite our successful international recruitment, nurse vacancies continue to be a challenge for the organisation, in line with national shortages, and impacts on the provision of service. This is particularly acute for senior paediatric registered nurses. Our marketing team have worked with the care team to create a recruitment video to try and increase our reach for attracting nurses.

Across the year our delivery of end-of-life care, both within the hospice and in supporting community teams when children are at home, has increased. As have symptom management stays to avoid hospital admissions and step-down care which reduces the length of a hospital stay. These admissions are supported at Naomi House by the continuing development of our relationship with the Specialist Paediatric Palliative Care (SPPC) team at University Hospital Southampton (UHS), our two SPPC consultants whom we share with that team. At Jacksplace, our relationship with the Adult Palliative Care team continues to develop through the cross-organisation working of our Associate Specialist in Palliative Medicine and our newly appointed Clinical Nurse Specialist.

Another development for reducing our service user's time in hospital is the partnership between Jacksplace and UHS to deliver a one stop clinic for young people with Duchenne Muscular Dystrophy (DMD). This is the first of its kind in the UK and allows young people to attend a clinic at Jacksplace, which combines the majority of their annual appointments in to one day. The various clinical specialities involved include palliative care, neurology, cardiology and physiotherapy. The innovative clinic also frees up hospital time and means the young person doesn't have to attend multiple appointments throughout the year. The benefit for young people was publicised in the local media including a short film on the local news.

Young people from Jacksplace have also directed and produced a short film which introduces Jacksplace services from their perspective which will be used in marketing, for professionals and other young people.



Naomi House has developed its day service to a monthly session for parents/carers to attend with their child to enjoy themed activities and social play sessions including music and Makaton signing. We also enjoyed themed activity weekends for those in house for respite, facilitating Jubilee activities, teddy bears' picnic and pirate adventures.

Expansion of services for the forthcoming year include a research nurse post and a dedicated post for joint working between the hospices and the local community nursing teams to support palliative and end of life care at home.

Our Impact

14-month-old Logan-Ann is a happy and content little girl with an infectious smile who loves to be held and cuddled. She has Down's Syndrome (Trisomy 21) and a heart condition, together with respiratory and gastrointestinal problems.

Logan-Ann is supported by Naomi House & Jacksplace where she receives the complex nursing care that she needs. Logan-Ann's mum, Emma, shares their story.

Staying at Naomi House makes such a difference to me. For instance, it means I don't have to get up at 5.30 in the morning to get Logan-Ann's first feed going and sort out her medication. The care team will take care of all of this for me. I know that I can have that down time that I don't get when I'm at home.

While I'm at Naomi House, it means I can actually breathe and let myself relax because I know that the staff are highly trained, so it's not down to me to watch every little thing that Logan-Ann is doing. It helps me unwind and I go home refreshed and more settled in myself, even if it is just for one night. It's just a pleasure to be there.

We try and treat every day as special and cram each one with making memories. Having the support of Naomi House means that Logan-Ann can have the care that she needs and she can do things that we aren't able to do at home.

Children's hospices are vital and so incredibly important to children like Logan-Ann. But it's not only about the children, they are there to support the parents too.





Fundraising, Retail and Marketing Review

In recent weeks, the term perma-crisis has been used in a couple of national fundraising conferences to describe the wider operating environment that fundraisers are working within. Whilst this is not reflective of the operational base of Fundraising, Retail and Marketing in Naomi House & Jackspace, the term does highlight pressures and challenges around us during the past year. Whatever your perspective, income generation and voluntary giving has experienced a variety of challenges, and whilst some challenges provide opportunities, one thing is certainly true; namely, that the fundraising, retail and marketing teams have had to make multiple adjustments throughout the year. Some of these highlights and challenges are noted below.

On a national level, the optimism and positive expectations associated with emerging from COVID quickly evaporated in the Spring as eyes turned to Russia and Ukraine. The impact of the heartfelt response to events in Eastern Europe saw cash and goods that might have gone to our appeals and Charity retail operations given in support of the people of Ukraine. Add in the evolving impact of increases in interest rates and the cost of living and it is understandable that there should be an impact on consumer confidence and giving behaviour.

Despite the above, our Flagship fundraising event, the Clarendon Way Walk, returned to its more regular spot in June. We were pleased to once again offer a selection of options for participants, including Ultimate Clarendon, which saw participants walk between Salisbury and Winchester and back again. We are grateful that ATR Winchester once again provided a team of Army recruits to support the day. We were equally pleased that so many corporate supporters and volunteers not only took part in the event, but also volunteered throughout the evening and into the small hours of the morning to support and encourage our walkers.

In the early summer Steve Radjen, one of our long-standing Trustees and our most prolific individual fundraiser celebrated his 60th Birthday. Steve has undertaken a variety of endurance challenges over the years and for his 60th Birthday decided to run 60 marathons in 60 days. Steve planned to start his challenge in August and invited family and friends to run with him for this super-human daily challenge. Very quickly, it was apparent that something was not going as planned. Steve lost nearly 10Kg in the first few days of running. Guided by his wife, family, friends and close advisors, Steve was forced to withdraw from his challenge until his body had recovered. Amazingly, Steve remained determined to complete the endurance challenge and the whole team were delighted to welcome Steve and his supporters to the hospices when he completed his 60th marathon on 18th February 2023. A huge thanks to Steve and the whole family for their incredible achievement. Apart from the achievement of the marathon, Steve's wife and several friends organized a spectacular, gala fundraising evening in Lymington. Collectively, 60 in 60 raised in excess of £200,000 for the charity.

Another highlight for us in the year is a grant received via Southampton Hospital Charity as a portion of the money that was raised by the sale of a Banksy's "Game Changer" picture. The incredibly generous donation will be used to fund services that add value to the work of our NHS partners over a two-year period.

Although there are several other noteworthy successes, the past year has also posed several challenges. Giving habits have certainly changed. Participation in charity and commercial events is different. People are signing up later and participants are reporting that people are more cautious when it comes to sponsorship. Donations from postal campaigns and appeals has also been impacted, and whilst we are pleased with the results during the year, we are working harder to demonstrate value and impact from the support we receive.



Trustees' Report Cont.

As a consequence of the above, the Fundraising Management Team, including the Head of Retail, have focused over several months on the key levers that we can continue to influence to positively impact on giving and return on investment. Securing a canvassing partner for our lottery is one part of this. Other elements include increased focus on stewardship and retention as well as enhancing the donor experience to maximise their engagement with the charity as well as overall lifetime value of each supporter relationship we enjoy.

In summary, whilst we recognise the wider factors influencing the propensity to give generally, Naomi House & Jacksplace continue to hold a special place in the heart of the communities we serve. Our aim in the coming year is to continue to demonstrate the value, impact and relevance of the work we share with those communities and engage, maintain and enhance meaningful and appropriate relationships with those elements of the community that continue to support us.

Fundraising Statement

Naomi House & Jacksplace enjoys the support of volunteers and paid employees supporting the fundraising for the charity. Fundraising volunteers are central to our effectiveness as a wider voluntary giving team. They operate at all levels of the fundraising mix. Some give their time to help assist in the delivery of events and activities, others have specific roles that they help with in the office. There are others, such as Ambassadors, that have specific volunteering duties, acting as representatives of the charity at functions or events. In turn, they support, and are supported by an experienced and skilled employed fundraising team. The added capacity and value that volunteers bring to the team enables colleagues in the office to work with greater focus and with greater capacity, confident that the organisation is represented appropriately with similar support and resourcing to any other member of the team. Overall, the team are line managed by function and supported to work all aspects of income generation for the charity.

We also continue to support our Retail operation made up of a warehouse, 21 shops, and a mix of paid and volunteer delivery drivers. The team is overseen by the Head of Retail who reports to the Director of Fundraising and Communications. This year John Egan, who guided the team so ably for the past six years decided that he would retire in the Autumn. We successfully appointed a replacement, Rob Gordon, who had one month's handover before taking over the role. Sadly, in early January 2023, we learnt that John had died unexpectedly whilst on holiday in Scotland. We send our sincerest condolences to John's widow and family.

The income for the charity includes voluntary giving from the Community, Retail and an established Lottery operation. In recent years we have struggled to secure an appropriate canvassing agency. However, in mid-December 2022, we began discussions with The Fundraising Partnership. Following appropriate due diligence, they were appointed as our canvassing agency early in December. They are supported in role by our External Lottery Manager – Starvale Management and Technologies. Naomi House & Jacksplace continue to be members of the Hospice Lotteries Association.

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

Moreover, members of the fundraising team receive regular training and updates supporting their knowledge and understanding regarding changes. We do this via a combination of regular team training sessions, 1:1's and induction training. Throughout the year, the Fundraising Management team incorporate learning from external training and resources via monthly team learning and sharing sessions.



The Director of Fundraising remains Chair of the regional association of the Chartered Institute of Fundraising and regularly offers the team opportunities to join or take part in free or low-cost training and peer to peer networking sessions. All new fundraisers are encouraged to take the Chartered Institute of Fundraising's Fundraising Foundation Course.

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

In the past year we have received just two suppression requests from the Regulator. Both of which have been actioned and addressed. All complaints that we receive in relation to income generation activities are reviewed by the Board Sub-Committee responsible for Fundraising, Retail and Marketing on a quarterly basis. We received a total of 14 Complaints – all of which were investigated and resolved. We reported two Serious Incidents to the Charity Commission; both related to persons who are alleged to have held fundraising events in our name. These have been reported to Action Fraud and are subject to criminal investigations. Neither incident involved Naomi House employees.

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

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

Human Resource Review

Businesses across the world experienced a new people challenge in 2022. This time it was not caused by the impact of a pandemic but by the rising pressure of record numbers of job vacancies, skills shortages and increased wage demands. In the UK we experienced industrial action not seen for decades with public sector staff including nurses taking to the picket lines. The rising cost of living impacted everyone as prices of food and utilities increased due to the impact of the war in the Ukraine, and the CIPD, the professional body for HR practitioners urged all employers to provide whatever financial support they could to help ease the pressure on their people.

We responded to our own challenges quickly. Our main priority for many years has been the recruitment and retention of nurses and in 2022 we embarked on an international recruitment campaign, managed in house by our HR team. The project was a success and by the end of the calendar year, we had welcomed six new colleagues from Africa to the team. Once in the UK, they began their intense training to obtain their UK registration, and all have now received this and are able to work as fully registered nurses.

As well as recruiting these new colleagues we have offered them extensive pastoral support which continues as they learn to adapt to a new way of living and working. We were also acutely aware of the challenge of working in a remote location and took the opportunity to purchase a block of flats in the village which we now rent to the new nurses.



Trustees' Report Cont.

In addition to our international colleagues we continue to look for highly skilled UK trained nurses. The Board approved a recruitment and retention payment scheme worth up to £5,000 across three years for all our nursing staff, and up to £2,500 for our carers. Payments from the scheme will start from the end of 2023. We are also committing to keeping the rates of pay for nurses in line with the NHS. Whilst we are aware that this increases our spending, we realise that without a team of motivated nurses, we will be unable to deliver our services to the families who depend on us.

After extensive research we also agreed to a one-off cost of living support package of £750 for all staff below Senior Management Team level and this was paid to staff in November.

People and their well-being has been a focus for the Trust over the last year, and in February we were re-accredited as an Investors In People organisation. We are now embarking on new initiatives to redefine our Vision, Mission and Values and to continue to develop a culture which is welcoming and inclusive.

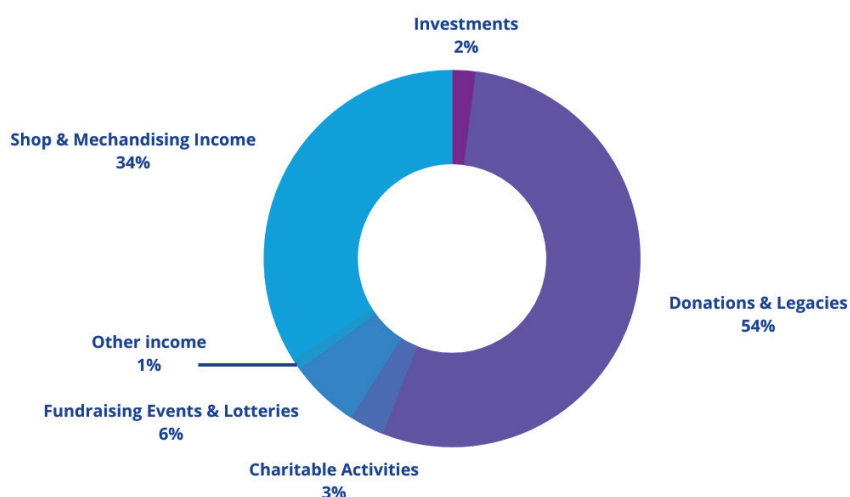
Financial Review

Despite successfully managing through the challenges posed by the Covid-19 pandemic, the financial landscape in 2022/23 remained demanding due to various factors such as the ongoing war in Ukraine, rising inflation and a cost-of-living crisis however, our financial health has remained strong.

In terms of our financial performance for the year, we had initially planned for an in-year deficit of (£420,000) excluding investment gains and losses. The financial year ended with an operational deficit of (£126,440) with an unrealised loss of investments of (£200,999), resulting in an overall deficit for the year ending 31 March 2023 of (£327,439). At the end of the financial year total funds held are £30,323, 789 (2021: £30,651,228). For a detailed breakdown of the total funds held, refer to page 43.

Total income for the year ending 31 March 2023 amounted to £7,945,068.

INCOME 22-23 - £7,945,068





NHS England continued to support our services through the Children's Hospice Grant Scheme with an increased annual grant of £754,769 (2022: £620,755). Income from Integrated Care Boards (ICB's) was £192,077 (2022: £211,975).

Our retail network of 21 shops (2022: 21) has had an outstanding year, contributing significantly to our income. The shops sold donated goods as well as a small quantity of bought-in-goods, generating a total income of £2,671,639 (2022: £2,352,717). This represents a 13.5% increase in sales from the previous year. The growth in sales demonstrates the success of our retail operations and the support we receive from the community.

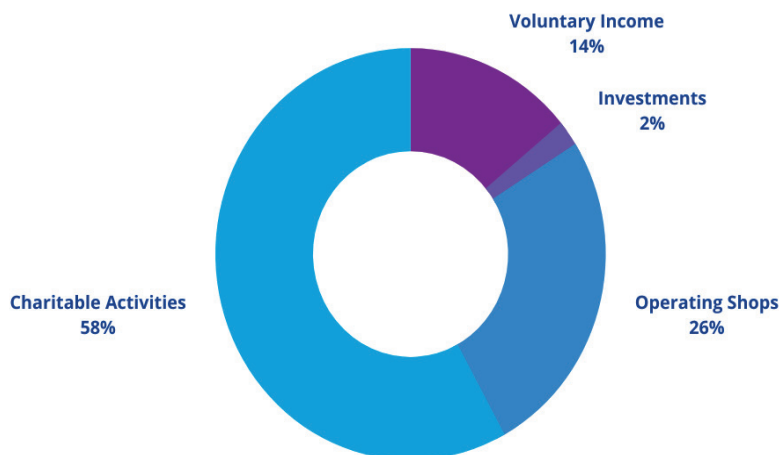
Retail Gift Aid claimed from HMRC totalled £136,876 (2022: £115,948). Our retail network has also benefited from the reduction of business rates on retail premises, which is a government support measure.

Naomi House Children's Hospice Trust is a wholly owned subsidiary of the Trust. The subsidiary is the agent for the Retail Gift Aid Scheme along with carrying out all trading activities. All profits from the trading activities can be gift aided to the Trust, subject to HMRC regulations, benefiting the charity by reducing any corporation tax liability. During the year the trading activities improved slightly from 2022, with sales of £20,103 (2022: £18,463).

While our service provision was reduced during the pandemic, the Board made efforts to increase our services with the understanding that it would lead to an increase in our cost base. Consequently, total expenditure for the period 2022/23 increased by over 12%, reaching a total of £8,071,508 (2022: £7,195,492). The increase in expenditure was driven by maintaining competitive pay levels to attract staff and the additional costs associated with high inflation.

Managing these financial challenges requires careful planning and resource allocation. It is crucial to continually evaluate our cost effectiveness and explore opportunities for efficiency gains without compromising the quality of care we provide.

Expenditure 22-23 - £8,071,508





Trustees' Report Cont.

Investments

The Trust's investment portfolio had a value of £15,287,505 as at the 31 March 2023. The capital value of the investments experienced a decrease of (£200,999) (2022: increased by £1,133,598) during 2022/23.

The management of the Trust's investments portfolio is entrusted to an independent fund manager, Veritas, in accordance with the Trust's investment policy. The investment managers objectives are "real return on a rolling 5-year view with an emphasis on capital growth with income" they achieved 42.9% over the 5-year rolling period.

Veritas actively monitor and assess the Ethical, Social and Governance risk associated with companies in which they invest, with the majority of investments rank in the top 20% for ESG risk compared to their peers.

The value of the Trust's investments was influenced by events throughout the year on the value of our investments. Despite experiencing a significant decline in investment value, the Trust maintained its long-term investment commitment and added £1million in cash to the portfolio. As a result, the year concluded with a small unrealised loss of (£200,999).

Looking ahead to 2023/24, the Trust anticipates another deficit year, projecting a deficit of (£685,000) along with planned capital expenditure of £1.2 million. These circumstances may necessitate accessing some of the cash held within the investment portfolio.

It is important to maintain a long-term perspective in managing investments and to consider market conditions. The Trust's commitment to responsible investing and its partnership with an independent fund managers will continue to play a crucial role in navigating the challenges and optimising returns over the long term.

Reserve Policy

The purpose of reserves is to secure the future of our services and long-term obligation to the children, young adults and families we support. Our reserves ensure that we can sustain periods where our income is unpredictable and allows us to absorb our 2023/24 forecast deficit of (£685,000).

It is the opinion of the Trustees that it is prudent that the Naomi House and Jacksplace services require ideally reserves of 18 months, to ensure the continuity of care, in the event of a large fluctuation of income. The balance at the 31 March 2023 of £4,848,000 for the Naomi House designated fund and £3,893,000 for the Jacksplace designated fund represents a coverage of 18 months of care and fundraising costs.

Free Unrestricted Reserves	£3,342,071	11%
Free Reserve - Non-Charitable Trading	£11,359	0%
Free Reserves - Revaluation Reserve	£4,354,345	14%
Designated Funds Reserves	£15,998,311	53%
Restricted Funds (Including endowment)	£6,617,703	22%
Total Funds	£30,323,789	100%



The general unrestricted reserves funds decreased as at the 31 March 2023 to £3,342,501 (2022: £4,173,302) this decline can be attributed to increased annual costs and an unrealised loss on our investment portfolio.

Financial Sustainability

On behalf of the Board, the Finance Risk and Audit Committee (FRAC) has undertaken a detailed review of the cashflow forecasts, unrestricted reserves and investment position of the group and has provided assurance to the Board of the sustainability of the group for the foreseeable future.

Key financial sustainability considerations were:

- Strong balance sheet of £30,323,789.
- Investment Portfolio of £15,287,505.
- Annual capital plan programme of £1.2m.
- Robust financial management ensuring value for money.
- Management team focused on service delivery.
- Board's desire to utilise reserves for service provision.

Strategy 2020-25

As we approach the three-year mark of our current strategy, we are pleased with the accomplishments we have achieved, as highlighted in our strategic report. Our key objectives have been:

- Continue to Make a Difference to Families Every Day
- Afford our Ambitions
- Be at the Forefront of a Changing Healthcare Landscape

However, over the past year there has been significant change in the Healthcare Landscape, notably the introduction of the Health and Care Bill which received Royal Assent and became an Act of Parliament on 28 April 2022. Additionally, the development of the Integrated Care Systems (ICSs) and Integrated Care Boards (ICBs) within the NHS has further transformed the healthcare landscape.

In light of these changes, the Board believes it is an appropriate time to review our current strategy to ensure its continued relevance and effectiveness.

Statement of Trustees' Responsibilities

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

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

- Select suitable accounting policies and then apply them consistently.
- Observe the methods and principles in the Charities SOPR.
- Make judgments and estimates that are reasonable and prudent.



Trustees' Report Cont.

- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

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

In so far as the Trustees are aware:

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

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

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

Auditor

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

The Trustees approved this report, including the strategic report on 4th October 2023 and it was signed on their behalf by

Andrew Meehan - Chair

"The support of Naomi House & Jacksplace was amazing for our family. The specialist care and support they give is irreplaceable. It almost feels like you're up high in the trees and Naomi House & Jacksplace is your safety net. If we were going to fall, they were going to catch us."

Sophie & Sean, Reuben's mum and dad





Independent Auditor's Report to the Members of Wessex Children's Hospice Trust

Opinion

We have audited the financial statements of Wessex Children's Hospice Trust (the 'parent charitable company') and its subsidiary (the 'Group') for the year ended 31 March 2023 which comprise the Consolidated statement of financial activities, the Consolidated balance sheet, the Company balance sheet, the Consolidated statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent charitable company's affairs as at 31 March 2023 and of the Group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the Annual report other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the Annual report. 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 Wessex Children's Hospice Trust Cont.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of Trustees

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

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



Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

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

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

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards.



Independent Auditor's Report to the Members of Wessex Children's Hospice Trust Cont.

For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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 its members, as a body, for our audit work, for this report, or for the opinions we have formed.

Janette Joyce (Senior statutory auditor)
for and on behalf of

Crowe U.K. LLP
Statutory Auditor
Aquis House
49-51 Blagrove Street
Reading
Berkshire
RG1 1PL

Date: 16th October 2023



Consolidated Statement of Financial Activities (Incorporating Income and Expenditure Account)

	Note	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Income from:					
Donations and legacies	3	3,184,820	1,106,891	4,291,711	4,267,531
Charitable activities	4	270,377	-	270,377	282,127
Other trading activities:					
Fund raising events and lotteries		510,730	-	510,730	879,462
Income from shops and merchandising		2,671,639	-	2,671,639	2,352,717
Investments	5	175,608	-	175,608	187,486
Other income		25,003	-	25,003	9,473
Total income		6,838,177	1,106,891	7,945,068	7,978,796
Expenditure on:					
Raising funds:					
Voluntary income	6	1,118,902	-	1,118,902	993,927
Operating shops		2,125,694	-	2,125,694	1,932,021
Investments		118,061	-	118,061	114,319
Charitable activities	7	3,413,444	1,295,407	4,708,851	4,155,225
Total expenditure		6,776,101	1,295,407	8,071,508	7,195,492
Net income/(expenditure) before net (losses)/gains on investments					
		62,076	(188,516)	(126,440)	783,304
Net (losses)/gains on investments		(200,999)	-	(200,999)	1,133,598
Net (expenditure)/income		(138,923)	(188,516)	(327,439)	1,916,902
Transfers between funds	18	9,038	(9,038)	-	-
Net movement in funds		(129,885)	(197,554)	(327,439)	1,916,902
Reconciliation of funds:					
Total funds brought forward	18	23,835,971	6,815,257	30,651,228	28,734,326
Net movement in funds		(129,885)	(197,554)	(327,439)	1,916,902
Total funds carried forward	18	23,706,086	6,617,703	30,323,789	30,651,228

The notes on pages 28 to 51 form part of these financial statements.



Consolidated Balance Sheet

Wessex Children's Hospice Trust - 02601495
As at 31 March 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	12	11,785,232	11,993,676
Investments	13	15,287,505	14,615,933
		<u>27,072,737</u>	<u>26,609,609</u>
Current assets			
Stocks	14	3,522	14,450
Debtors	15	1,626,436	1,656,234
Cash at bank and in hand		2,499,009	3,060,523
		<u>4,128,967</u>	<u>4,731,207</u>
Creditors: amounts falling due within one year	16	(877,915)	(689,588)
Net current assets		<u>3,251,052</u>	<u>4,041,619</u>
Total net assets		<u><u>30,323,789</u></u>	<u><u>30,651,228</u></u>
Charity funds			
Restricted funds	18	6,617,703	6,815,257
Unrestricted funds			
Designated funds	18	15,998,311	15,107,325
General funds	18	3,353,430	4,173,302
Revaluation reserve	18	4,354,345	4,555,344
Total unrestricted funds	18	<u>23,706,086</u>	<u>23,835,971</u>
Total funds		<u><u>30,323,789</u></u>	<u><u>30,651,228</u></u>

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

Andrew Meehan
(Chair of Trustees)
Date: 4th October 2023

The notes on pages 28 to 51 form part of these financial statements.



Company Balance Sheet

Wessex Children's Hospice Trust - 02601495 As at 31 March 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	12	11,785,232	11,993,676
Investments	13	15,287,507	14,615,935
		<u>27,072,739</u>	<u>26,609,611</u>
Current assets			
Stocks	14	3,522	13,685
Debtors	15	1,626,527	1,659,697
Cash at bank and in hand		2,477,964	3,042,583
		<u>4,108,013</u>	<u>4,715,965</u>
Creditors: amounts falling due within one year	16	(874,154)	(686,013)
		<u>3,233,859</u>	<u>4,029,952</u>
Net current assets		<u>3,233,859</u>	<u>4,029,952</u>
Total assets less current liabilities		<u>30,306,598</u>	<u>30,639,563</u>
Total net assets		<u>30,306,598</u>	<u>30,639,563</u>
Charity funds			
Restricted funds	18	6,617,703	6,815,257
Unrestricted funds			
Designated funds	18	15,998,311	15,107,325
General funds	18	3,336,239	4,161,637
Revaluation reserve	18	4,354,345	4,555,344
Total unrestricted funds	18	<u>23,688,895</u>	<u>23,824,306</u>
Total funds		<u>30,306,598</u>	<u>30,639,563</u>

The deficit for the Charity dealt with in the financial statements was £332,965 (2022: £1,912,548 surplus).
The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

Andrew Meehan
(Chair of Trustees)
Date: 4th October 2023

The notes on pages 28 to 51 form part of these financial statements.



Consolidated Statement of Cash Flows

Wessex Children's Hospice Trust - 02601495 For the year ended 31 March 2023

	Note	2023 £	2022 £
Cash flows from operating activities			
Net cash provided by operating activities	20	549,829	1,905,863
Cash flows from investing activities			
Dividends and interest from investments		175,608	187,486
Purchase of tangible fixed assets		(285,413)	(919,185)
Withdrawals from investment portfolio		172,098	166,802
Additions to investment portfolio		(1,173,636)	(1,169,633)
Net cash used in investing activities		(1,111,343)	(1,734,530)
Change in cash and cash equivalents in the year		(561,514)	171,333
Cash and cash equivalents at the beginning of the year		3,060,523	2,889,190
Cash and cash equivalents at the end of the year	21	2,499,009	3,060,523

The notes on pages 28 to 51 form part of these financial statements.



Notes to the Financial Statements

1. General information

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

2. Accounting policies

2.1 Basis of preparation of financial statements

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

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

These financial statements consolidate the results of the charitable company and its wholly-owned subsidiary Naomi House Children's Hospice Ltd on a line by line basis. Transactions and balances between the charitable company and its subsidiary have been eliminated from the consolidated financial statements. A separate statement of financial activities, or income and expenditure account, for the charitable company itself is not presented because the charitable company has taken advantage of the exemptions afforded by section 408 of the Companies Act 2006. The Charity has taken advantage of the exemptions in FRS 102 from the requirement to present a charity only Cash Flow Statement and certain disclosures about its own financial instruments within the consolidated financial statements.

2.2 Going concern

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

Despite the current economic pressures of the Cost-of-Living Crisis and the war in the Ukraine, the Trustees believe that the Group's financial resources and contingency planning is sufficient to ensure the ability of the Group as a going concern for the foreseeable future, being at least twelve months from the date of approval of these financial statements and therefore have prepared the financial statements on a going concern basis.

2.3 Income

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

Income from government grants (including retail grants) and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the Group has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably.



Notes to the Financial Statements Cont.

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

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

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

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

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

Donations in the form of legacies are recognised when it is probable that the legacy will be received and its value can be measured reliably. These criteria will normally be met following probate once the executor(s) of the estate has established that there are sufficient assets in the estate, after settling liabilities, to pay the legacy.

Evidence that the executor(s) has determined that a payment can be made, may arise on the agreement of the estate's accounts or notification that payment will be made. When notification is received after the year-end but it is clear that the executor(s) has agreed prior to the year-end that the legacy can be paid, the legacy is accrued in the financial statements. The certainty and measurability of the receipt may be affected by subsequent events such as valuations and disputes.

2.4 Expenditure

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

Expenditure is classified under the following activity headings:

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

Expenditure on raising funds includes all expenditure incurred by the Group to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.



Expenditure on charitable activities is incurred on directly undertaking the activities which further the Group's objectives, as well as any associated support costs.

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

2.5 Allocation of support costs

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

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

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

Support and governance costs are reallocated to each of the activities on the following basis:

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

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

2.6 Interest receivable

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

2.7 Operating leases

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

2.8 Tangible fixed assets and depreciation

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

Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

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



Notes to the Financial Statements Cont.

Depreciation is provided on the following bases:

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

2.9 Listed investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the Balance Sheet date using the closing quoted market price. Any change in fair value will be recognised in the Statement of Financial Activities and any excess of fair value over the historic cost of the investments will be shown as a fair value reserve in the Balance Sheet. Investment gains and losses, are shown in the heading "Net gains/(losses) on investments" in the Statement of Financial Activities. The Group does not acquire put options, derivatives or other complex financial instruments.

Investments in subsidiaries are valued at cost.

2.10 Stocks

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

2.11 Financial Instruments

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

Debtors

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

Cash at bank and in hand

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

Creditors

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



2.12 Pensions

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

The second scheme is a final salary multi-employer pension plan which is available for certain employees only. It is not possible to identify separately the assets and liabilities relating to Wessex Children's Hospice Trust for the purposes of FRS 102 disclosure. As neither the Trust nor its employees are liable to pay any additional sums towards a funding shortfall, which is met directly by the Exchequer, pension contributions are accounted for in the year in which they become payable. See Note 25 for more details.

2.13 Fund accounting

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

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

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund. Details of the restrictions are included within the notes to the financial statements.

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

2.14 Significant estimates and judgements

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

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



Notes to the Financial Statements Cont.

3. Income from donations and legacies

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Grants				
Grants & Trusts	281,594	316,999	598,593	371,907
Government grants				
NHS England Children's Hospices Grants Programme	-	754,769	754,769	620,755
COVID-19 Retail Grant	-	-	-	82,666
Coronavirus Job Retention Scheme	-	-	-	70,007
NHSE Emergency COVID-19 grant funding	-	-	-	67,640
	<u>281,594</u>	<u>1,071,768</u>	<u>1,353,362</u>	<u>1,212,975</u>
Donations	1,800,917	5,123	1,806,040	1,250,385
Legacies	1,102,309	30,000	1,132,309	1,804,171
	<u>3,184,820</u>	<u>1,106,891</u>	<u>4,291,711</u>	<u>4,267,531</u>
<i>Total 2022</i>	<u><u>3,391,322</u></u>	<u><u>876,209</u></u>	<u><u>4,267,531</u></u>	

In 2021/2022 NHSE awarded funding to allow the hospice to make available bed capacity and community support from December 21 to March 22 to provide support to people with complex needs in the context of the COVID-19 situation and to provide bed capacity and community support.

4. Income from charitable activities

	2023 £	2022 £
Clinical Commissioning Groups	192,077	211,975
Individuals	48,300	33,450
Other	30,000	36,702
	<u>270,377</u>	<u>282,127</u>

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



5. Investment income

	Unrestricted funds 2023 £	Total funds 2023 £	<i>Total funds 2022 £</i>
Dividends	173,497	173,497	187,405
Interest	2,111	2,111	81
	<u>175,608</u>	<u>175,608</u>	<u>187,486</u>
<i>Total 2022</i>	<u>187,486</u>	<u>187,486</u>	

6. Expenditure on raising funds

Costs of raising voluntary income

	Unrestricted funds 2023 £	Total funds 2023 £	<i>Total funds 2022 £</i>
Other staff and volunteer costs	14,723	14,723	2,734
Direct costs	301,612	301,612	215,827
Overhead costs	119,587	119,587	155,874
Wages and salaries	502,491	502,491	453,483
National Insurance	49,866	49,866	43,715
Pension costs	31,679	31,679	29,349
Allocated centrally incurred fundraising and governance costs	98,944	98,944	92,945
	<u>1,118,902</u>	<u>1,118,902</u>	<u>993,927</u>
<i>Total 2022</i>	<u>993,927</u>	<u>993,927</u>	



Notes to the Financial Statements Cont.

6. Expenditure on raising funds (continued)

Costs of operating shops

	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Facilities & maintenance	12,358	12,358	91,803
Direct costs	485,871	485,871	499,051
Other staff costs	9,833	9,833	6,394
Overhead costs	387,876	387,876	250,984
Wages and salaries	951,230	951,230	848,809
National Insurance	65,554	65,554	53,195
Pension costs	31,242	31,242	26,104
Depreciation	27,413	27,413	13,953
Allocated centrally incurred support and governance costs	154,317	154,317	141,728
	<u>2,125,694</u>	<u>2,125,694</u>	<u>1,932,021</u>
<i>Total 2022</i>	<u><u>1,932,021</u></u>	<u><u>1,932,021</u></u>	

7. Analysis of expenditure by charitable activities

	Activities undertaken directly 2023 £	Support costs 2023 £	Total funds 2023 £	Total funds 2022 £
Naomi House	2,223,116	193,595	2,416,711	1,952,204
Jacksplace	1,624,594	145,573	1,770,167	1,627,415
Long Term Ventilation Unit	15,614	4,044	19,658	18,969
Community & Family Support	441,660	60,655	502,315	556,637
	<u>4,304,984</u>	<u>403,867</u>	<u>4,708,851</u>	<u>4,155,225</u>
<i>Total 2022</i>	<u><u>3,776,428</u></u>	<u><u>378,797</u></u>	<u><u>4,155,225</u></u>	



7. Analysis of expenditure by charitable activities (continued)

Analysis of direct costs

	Naomi House 2023 £	Jacksplace 2023 £	LTV 2023 £	Community & Family Support 2023 £	Total funds 2023 £	Total funds 2022 £
Staff costs	1,357,333	992,400	-	392,198	2,741,931	2,528,009
Depreciation	229,560	168,410	15,614	4,979	418,563	397,925
Other staff & volunteer costs	64,345	3,129	-	1,094	68,568	6,500
Direct costs	139,016	151,446	-	34,463	324,925	345,093
Facilities & maintenance	355,748	-	-	-	355,748	166,243
Overhead costs	77,114	309,209	-	8,926	395,249	332,658
	<u>2,223,116</u>	<u>1,624,594</u>	<u>15,614</u>	<u>441,660</u>	<u>4,304,984</u>	<u>3,776,428</u>
<i>Total 2022</i>	<u><u>1,760,117</u></u>	<u><u>1,484,899</u></u>	<u><u>17,110</u></u>	<u><u>514,302</u></u>	<u><u>3,776,428</u></u>	

Analysis of support costs

	Naomi House 2023 £	Jacksplace 2023 £	LTV 2023 £	Community & Family Support 2023 £	Total funds 2023 £	Total funds 2022 £
Staff costs	130,542	97,903	2,720	40,794	271,959	233,663
Depreciation	-	-	-	-	-	1,141
Other staff & volunteer costs	6,591	4,943	137	2,060	13,731	60,969
Direct costs	-	-	-	-	-	26
Overhead costs	56,462	42,727	1,187	17,801	118,177	82,998
	<u>193,595</u>	<u>145,573</u>	<u>4,044</u>	<u>60,655</u>	<u>403,867</u>	<u>378,797</u>
<i>Total 2022</i>	<u><u>192,087</u></u>	<u><u>142,516</u></u>	<u><u>1,859</u></u>	<u><u>42,335</u></u>	<u><u>378,797</u></u>	



Notes to the Financial Statements Cont.

7. Analysis of expenditure by charitable activities (continued)

Analysis of support costs (continued)

Governance costs of £31,952 (2022: £21,130) are included within support costs.

8. Auditor's remuneration

The auditor's remuneration amounts to an auditor fee of £18,250 (2022 - £15,875), and non-audit fees of £3,000 (2022 - £4,850).

9. Staff costs

	Group 2023	<i>Group 2022</i>	Company 2023	<i>Company 2022</i>
	£	£	£	£
Wages and salaries	4,138,271	3,758,125	4,138,271	3,758,125
Social security costs	393,555	337,624	393,555	337,624
Contribution to defined contribution and defined benefit pension schemes	268,443	265,934	268,443	265,934
	4,800,269	4,361,683	4,800,269	4,361,683

Redundancy and termination payments totalling £12,000 were made to 2 employees during the financial year (2022: £17,250 to 3 employees).

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

	Group 2023	<i>Group 2022</i>
	No.	No.
Care	80	80
Fundraising	18	17
Retail & Merchandise	57	55
Management & Administration	10	9
	165	161



9. Staff costs (continued)

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

	Group 2023 No.	<i>Group 2022 No.</i>
In the band £60,001 - £70,000	1	1
In the band £80,001 - £90,000	1	1
In the band £90,001 - £100,000	1	1

The total employee benefits including pension contributions and employers NI of the key management personnel were £431,927 (2022: £413,675). Key management personnel are listed on page 1.

10. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2022 - £NIL).

Expenses of £Nil (2022: £10) were paid for, or reimbursed to, any Trustee (2022: one Trustee).

11. Taxation

The Charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes. The Charity's trading subsidiary Naomi House Children's Hospice Ltd gift aids available profits to the parent Charity within nine months of the year end so it has no tax charge.



Notes to the Financial Statements Cont.

12. Tangible fixed assets

Group and Company

	Freehold property £	Leasehold land and property £	Motor vehicles £	Fixtures and fittings and computer equipment £	Assets under construction £	Total £
Cost						
At 1 April 2022	700,000	13,420,224	221,414	1,382,810	887,073	16,611,521
Additions	-	57,016	101,715	126,682	-	285,413
Disposals	-	-	(35,745)	(122,262)	-	(158,007)
Transfers between classes	-	798,147	-	-	(798,147)	-
VAT adjustment	-	(47,879)	-	-	-	(47,879)
At 31 March 2023	<u>700,000</u>	<u>14,227,508</u>	<u>287,384</u>	<u>1,387,230</u>	<u>88,926</u>	<u>16,691,048</u>
Depreciation						
At 1 April 2022	-	3,211,678	209,510	1,196,657	-	4,617,845
Charge for the year	17,570	334,132	11,966	82,310	-	445,978
On disposals	-	-	(35,745)	(122,262)	-	(158,007)
At 31 March 2023	<u>17,570</u>	<u>3,545,810</u>	<u>185,731</u>	<u>1,156,705</u>	<u>-</u>	<u>4,905,816</u>
Net book value						
At 31 March 2023	<u>682,430</u>	<u>10,681,698</u>	<u>101,653</u>	<u>230,525</u>	<u>88,926</u>	<u>11,785,232</u>
At 31 March 2022	<u>700,000</u>	<u>10,208,546</u>	<u>11,904</u>	<u>186,153</u>	<u>887,073</u>	<u>11,993,676</u>



13. Fixed asset investments

Group	Listed investments £
Cost or valuation	
At 1 April 2022	14,615,933
New money invested	1,173,636
Amounts extracted	(172,098)
Net loss on change in fair value	(200,999)
Investment management fees	(128,967)
At 31 March 2023	<u>15,287,505</u>

Company	Investments in subsidiary companies £	Listed investments £	Total £
Cost or valuation			
At 1 April 2022	2	14,615,933	14,615,935
New money invested	-	1,173,636	1,173,636
Amounts extracted	-	(172,098)	(172,098)
Net loss on change in fair value	-	(200,999)	(200,999)
Investment management fees	-	(128,967)	(128,967)
At 31 March 2023	<u>2</u>	<u>15,287,505</u>	<u>15,287,507</u>



Notes to the Financial Statements Cont.

13. Fixed asset investments (continued)

Principal subsidiary

The following was a subsidiary undertaking of the Company:

Name	Company number	Registered office or principal place of business	Principal activity	Class of shares	Holding	Included in consolidation
Naomi House Children's Hospice Ltd	02861158	Naomi House, Stockbridge Road, Sutton Scotney, Winchester, SO21 3JE	Non-primary purpose trading	Ordinary	100%	Yes

The financial results of the subsidiary for the year were:

Name	Income £	Expenditure £	Profit for the year £	Net assets £
Naomi House Children's Hospice Ltd	20,103	(14,578)	5,525	11,358

14. Stocks

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Finished goods and goods for resale	3,522	14,450	3,522	13,685

Reduction is due to less stock being held for PPE associated to COVID-19 and the trading Co. no longer buying in merchandise to sale.

15. Debtors

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Trade debtors	43,309	18,218	43,309	18,218
Amounts owed by group undertakings	-	-	1,765	5,217
Other debtors	130,109	59,971	128,435	58,217
Prepayments and accrued income	1,453,018	1,578,045	1,453,018	1,578,045
	1,626,436	1,656,234	1,626,527	1,659,697



16. Creditors: Amounts falling due within one year

	Group 2023	<i>Group 2022</i>	Company 2023	<i>Company 2022</i>
	£	£	£	£
Trade creditors	216,620	199,265	216,620	199,265
Other taxation and social security	84,065	80,989	84,065	80,989
Other creditors	111,539	115,398	111,539	115,398
Accruals and deferred income	465,691	293,936	461,930	290,361
	877,915	689,588	874,154	686,013

Deferred income of £274,860 (2022: £121,494) relates to amounts received in advance for events held in the next financial year and a deferred grant. All of the prior year deferred income has been released in the current year.

17. Financial instruments

	Group 2023	<i>Group 2022</i>	Company 2023	<i>Company 2022</i>
	£	£	£	£
Financial assets				
Financial assets measured at fair value through income and expenditure	15,287,505	14,615,933	15,287,505	14,615,933

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



Notes to the Financial Statements Cont.

18. Statement of funds

Statement of funds - current year

	Balance at 1 April 2022 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2023 £
Unrestricted funds						
Designated funds						
Fixed Asset fund	5,365,223	-	-	(24,110)	-	5,341,113
Naomi House fund	4,151,000	-	-	697,000	-	4,848,000
Jacksplace fund	3,620,000	-	-	273,000	-	3,893,000
Capital Development Fund	921,000	-	-	254,000	-	1,175,000
Retail Operations Fund	1,050,102	-	-	(308,904)	-	741,198
	<u>15,107,325</u>	<u>-</u>	<u>-</u>	<u>890,986</u>	<u>-</u>	<u>15,998,311</u>
General funds						
General Funds	4,162,373	6,823,170	(6,761,524)	(881,948)	-	3,342,071
Non-charitable trading funds	10,929	15,007	(14,577)	-	-	11,359
Fair value reserve	4,555,344	-	-	-	(200,999)	4,354,345
	<u>8,728,646</u>	<u>6,838,177</u>	<u>(6,776,101)</u>	<u>(881,948)</u>	<u>(200,999)</u>	<u>7,707,775</u>
Total Unrestricted funds	<u>23,835,971</u>	<u>6,838,177</u>	<u>(6,776,101)</u>	<u>9,038</u>	<u>(200,999)</u>	<u>23,706,086</u>



18. Statement of funds (continued)

	Balance at 1 April 2022 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2023 £
Restricted funds						
Fixed Asset Fund-Jacksplace	1,643,135	-	(57,686)	17,470	-	1,602,919
Fixed Asset Fund-Naomi House	4,985,318	-	(149,710)	5,593	-	4,841,201
Hospice Running Costs	5,000	1,062,421	(1,062,422)	-	-	4,999
Building & Facilities	153,513	44,470	(20,016)	(32,101)	-	145,866
Diversion Therapy	18,291	-	(5,573)	-	-	12,718
Endowment Fund	10,000	-	-	-	-	10,000
	<u>6,815,257</u>	<u>1,106,891</u>	<u>(1,295,407)</u>	<u>(9,038)</u>	<u>-</u>	<u>6,617,703</u>
Total of funds	<u><u>30,651,228</u></u>	<u><u>7,945,068</u></u>	<u><u>(8,071,508)</u></u>	<u><u>-</u></u>	<u><u>(200,999)</u></u>	<u><u>30,323,789</u></u>



Notes to the Financial Statements Cont.

18. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 April 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2022 £
Unrestricted funds						
Designated funds						
Fixed Asset fund	4,730,574	-	-	634,649	-	5,365,223
Naomi House fund	4,486,000	-	-	(335,000)	-	4,151,000
Jacksplace fund	4,029,000	-	-	(409,000)	-	3,620,000
Capital Development Fund	234,000	-	-	687,000	-	921,000
Retail Operations Fund	1,173,600	-	-	(123,498)	-	1,050,102
	<u>14,653,174</u>	<u>-</u>	<u>-</u>	<u>454,151</u>	<u>-</u>	<u>15,107,325</u>
General funds						
General Funds	3,540,943	7,084,863	(6,117,542)	(463,189)	117,298	4,162,373
Non-charitable trading funds	6,574	17,724	(13,369)	-	-	10,929
Fair value reserve	3,539,044	-	-	-	1,016,300	4,555,344
	<u>7,086,561</u>	<u>7,102,587</u>	<u>(6,130,911)</u>	<u>(463,189)</u>	<u>1,133,598</u>	<u>8,728,646</u>
Total Unrestricted funds	<u>21,739,735</u>	<u>7,102,587</u>	<u>(6,130,911)</u>	<u>(9,038)</u>	<u>1,133,598</u>	<u>23,835,971</u>



18. Statement of funds (continued)

	<i>Balance at 1 April 2021</i>	<i>Income</i>	<i>Expenditure</i>	<i>Transfers in/out</i>	<i>Gains/ (Losses)</i>	<i>Balance at 31 March 2022</i>
	£	£	£	£	£	£
Restricted funds						
Fixed Asset Fund-Jacksplace	1,676,775	-	(55,797)	22,157	-	1,643,135
Fixed Asset Fund-Naomi House	5,136,621	-	(151,303)	-	-	4,985,318
Jacksplace Fund	-	100,000	(100,000)	-	-	-
Hospice Running Costs	6,500	747,086	(748,586)	-	-	5,000
Building & Facilities	146,404	29,123	(8,895)	(13,119)	-	153,513
Diversion Therapy	18,291	-	-	-	-	18,291
Endowment Fund	10,000	-	-	-	-	10,000
	<u>6,994,591</u>	<u>876,209</u>	<u>(1,064,581)</u>	<u>9,038</u>	<u>-</u>	<u>6,815,257</u>
Total of funds	<u>28,734,326</u>	<u>7,978,796</u>	<u>(7,195,492)</u>	<u>-</u>	<u>1,133,598</u>	<u>30,651,228</u>



Notes to the Financial Statements Cont.

18. Statement of funds (continued)

Unrestricted funds

Charity only unrestricted funds total £23,694,727, being total unrestricted funds of £23,706,086 less the trading subsidiary retained earnings of £11,359.

Purposes of restricted funds

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

Fixed Asset Fund - Jacksplace

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

Fixed Asset Fund - Naomi House

This represents the refurbishment cost funded by restricted funds.

Jacksplace Fund

Funds received specifically to meet the running cost of Jacksplace.

Hospice Running Costs

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

Building & Facilities

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

Diversion Therapies

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

Endowment Fund

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

Purpose of designated funds

The designated funds comprise:

Fixed Asset Fund

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

Naomi House Fund

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

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



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

The Trustees have calculated that a reserve to secure 18 months running costs of the Naomi House hospice (and the related community & family services) would ensure continuity in the event of a large variation in income. The balance at 31 March 2023 of £5.0m represents 18 months of Care, Fundraising and Management costs.

Jacksplace Fund

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

The balance at 31 March 2023 of £4.0m represents 18 months of Care, Fundraising and Management costs.

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

19. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £
Tangible fixed assets	5,341,112	6,444,120	11,785,232
Fixed asset investments	15,277,505	10,000	15,287,505
Current assets	3,965,384	163,583	4,128,967
Creditors due within one year	(877,915)	-	(877,915)
Total	23,706,086	6,617,703	30,323,789



Notes to the Financial Statements Cont.

Analysis of net assets between funds - prior year

	<i>Unrestricted funds 2022 £</i>	<i>Restricted funds 2022 £</i>	<i>Total funds 2022 £</i>
Tangible fixed assets	5,365,223	6,628,453	11,993,676
Fixed asset investments	14,605,933	10,000	14,615,933
Current assets	4,554,403	176,804	4,731,207
Creditors due within one year	(689,588)	-	(689,588)
Total	23,835,971	6,815,257	30,651,228

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

	Group 2023 £	Group 2022 £
Net income/expenditure for the year (as per Statement of Financial Activities)	(327,439)	1,916,902
Adjustments for:		
Depreciation charges	445,978	413,749
Investment management charges	129,110	120,082
(Gains)/losses on investments	200,903	(1,133,549)
Dividends, interests and rents from investments	(175,608)	(187,486)
Increase in stocks	10,928	712
Decrease in debtors	29,798	942,045
Increase/(decrease) in creditors	188,280	(213,285)
Capital Goods Scheme adjustment	47,879	46,693
Net cash provided by operating activities	549,829	1,905,863

21. Analysis of cash and cash equivalents

	Group 2023 £	Group 2022 £
Cash in hand	2,499,009	3,060,523



22. Analysis of changes in net debt

	At 1 April 2022	Cash flows	At 31 March 2023
	£	£	£
Cash at bank and in hand	<u>3,060,523</u>	<u>(561,514)</u>	<u>2,499,009</u>

23. Contingent assets - legacies

At the year end the Charity had a legacy pipeline with a potential value of £3,457,640 (2022: £348,727).

24. Contingent liabilities

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

25. Pension commitments

The Group operates a defined contribution pension scheme for certain qualifying employees and contributes up to 8% of basic salary matching employee contributions. The total pension contributions payable in the year were £134,105 (2022: £122,924). There were £21,635 outstanding contributions at the year-end (2022: £18,597).

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

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

a) Accounting valuation

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



Notes to the Financial Statements Cont.

The valuation of the scheme liability as at 31 March 2023, is based on valuation data as 31 March 2022, updated to 31 March 2022 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used.

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

b) Full actuarial (funding) valuation

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

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

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

The total pension contributions payable in the year were £134,338 (2022: £143,013). There were £17,154 outstanding contributions at the year-end (2022: £22,645).

26. Operating lease commitments

At 31 March 2023 the Group and the Company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	Group 2023	<i>Group 2022</i>	Company 2023	<i>Company 2022</i>
	£	£	£	£
Not later than 1 year	330,586	388,738	330,586	388,738
Later than 1 year and not later than 5 years	312,228	524,859	312,228	524,859
Later than 5 years	107,562	140,062	107,562	140,062
	750,376	1,053,659	750,376	1,053,659

27. Related party transactions

The intercompany balance at the year end was £1,764 owed by Naomi House Children's House Hospice Limited (2022: £5,956 owed to Naomi House Children's Hospice Limited). Amounts of £3,943 (2022: £4,062) were recharged to the subsidiary during the year.