

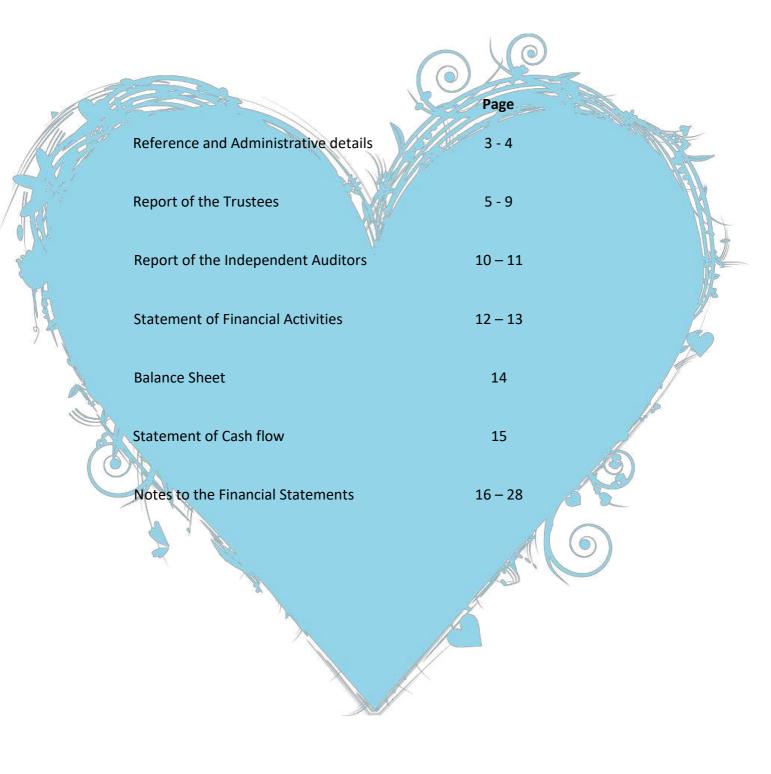
# Alexander Devine Children's Cancer Trust

Annual Report and Financial Statements for the year ended 31st March 2019.

Company No. 5757493

**Registered Charity No. 1118947** 

## CONTENTS



## **REFERENCE AND ADMINISTRATIVE DETAILS**

#### **Registered Company number**

5757493 (England and Wales)

**Registered Charity number** 1118947

#### **Registered office**

122 Tinkers Lane Windsor Berkshire SL4 4LP

#### Trustees

Mr John Devine MBA BA (Hons) CMgr MCMI Co-Founder (Chairman) Mrs Fiona Devine Co-Founder (Secretary) Mrs Helen Johnson Dr Andrew Boon BSC MD FRCP DCH Mr Fraser Silvey

Trustees are also Directors of the company and members of the Council of Management

#### Patrons

Rt Hon Theresa May MP Sir Michael Parkinson CBE Dr Sanjiv Mata Mr Nick Parkinson Dr Peter Sebire Air Marshall Sir Ian Macfadyen CB OBE Mr John Barley BEM Mr Mark Beard

#### **Key Management Staff**

Mrs Fiona Devine CEO Mrs Helen Bennett Director of Nursing Mr Andrew Rice Director of Finance Mr Warren King HR and Wellbeing Director Mrs Claire Coldicutt Director of Fundraising

Hospice	Fundraising Centre
Snowball Hill	Unit 15
Maidenhead	Grove Business Park
Berkshire	Waltham Road
SL6 3LU	White Waltham
	Maidenhead
	Berkshire
	SL6 3LW

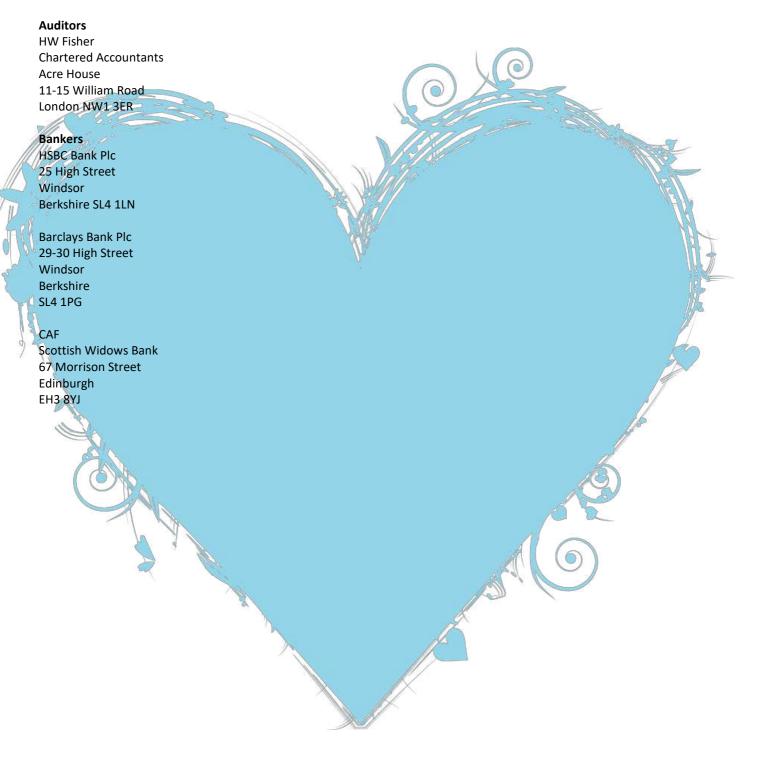
**Telephone** 01628 822777 0845 055 8276

Email fundraising@alexanderdevine.org

## Reference and Administrative Details (continued)

#### Web address

www.alexanderdevine.org



## **REPORT OF THE TRUSTEES (including Directors Report)**

The trustees who are also directors and members of the Council of Management of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 March 2019. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' issued in 2015.

#### **GOVERNING DOCUMENT**

Alexander Devine Children's Cancer Trust is a charitable company limited by guarantee, incorporated on 27<sup>th</sup> March 2006 and registered as a charity on 25<sup>th</sup> April 2007. The company was established under a Memorandum of Association which sets out the objects and powers of the charitable company and is governed under its Articles of Association. The Articles were last updated on 5<sup>th</sup> October 2017. The charity operates as Alexander Devine Children's Hospice Service.

All members of the Council of Management apart from Mrs Fiona Devine, give their time voluntarily and received no benefits from the charity. Mrs Devine works full time for the charity and received permission from the Charity Commission to be paid for this work. Her costs of employment and all expenses claimed by trustees in the execution of their duties are reported in note 8 to the accounts. The Trustees have carried out a skills audit to ensure that the Board has the necessary spread of skills to ensure good governance. They look to fill any gaps in knowledge within their contacts and charity supporters and if they do not find suitable candidates they will widen the spread of applicants by advertising. They ask successful candidates to attend Board meetings for a period to assess their contribution before appointing them full trustees. There is an induction process in place for new trustees and ongoing training is available as applicable.

#### **RESPONSIBILITIES OF THE COUNCIL OF MANAGEMENT**

The Directors 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 of the incoming resources and application of resources, including the income and expenditure of the charitable company for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed subject to any material departures and explain in the accounts; 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 which disclose with reasonable accuracy at any time the financial position of the charitable company and to 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 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 auditors are 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 auditors are aware of that information.

## Report of the Trustees (continued)

#### **RISK MANAGEMENT**

The trustees regularly consider risk at their bi monthly meetings and are satisfied that systems in place to mitigate the impact of key risks are being observed. Internal control risks are minimised by the implementation of procedures for authorisation of all transactions and projects. Procedures are in place to ensure compliance with health and safety of staff, volunteer and families. A comprehensive risk register is in place which is reviewed by the senior management team on a monthly basis. The charity raises money from a wide variety of bodies ensuring that a problem with one of these would not significantly impact on the overall income of the charity. The charity is in the process of changing from capital funding to revenue funding. Given the phased and controlled plans to open the building and funds already raised the trustees believe that the charity will be able to sustain and expand the service it provides.

#### RESERVES

Due to the economic situation, increased complexity of illnesses, lack of Government funding and difficulty recruiting the Trustees have increased the target for free reserves by three months and this now stands at between twelve and fifteen months of ongoing expenditure which is between £1,303,000 and £1,628,000 based on 2018/19 costs. However, with the planned expansion of the service these figures increase to between £1.664 million and £2.080 million for 2019/20. They believe this level will enable the charity to continue its activities all payments as they fall due whatever short term issues may arise. The level of free reserves at the end of March 2019 was £2,742,211.(2018 £1,193,046). Although this is above the target level for 2019/20, in view of the expansion of the service and additional anticipated costs the Trustees are happy that this level of reserves is appropriate. As mentioned below, the charity received an unexpectedly large donation during the year which is very unlikely to be repeated and the Trustees wish to retain the majority this for one off projects rather than spend this on covering ongoing costs. £946,278 is designated for specific items. The Trustees believe that they are managing risk and have a sensible and sustainable approach.

#### **FINANCIAL REVIEW**

Total income for the year was £2,621,225 (2018: £1,583,028), showing an increase of 66% on the previous year. Total resources expended before the cost of charitable expenditure were £378,381 (2018: £258,552). The resulting net movement of funds of £1,318,528 (2018: £771,940) represents an increase of 70% over the previous year. The figures have been significantly distorted by the total donation of £1.25 million from one trust. Without this, income would have reduced slightly and the net movement of funds would have reduced compared with the previous year. Expenditure on charitable activities has increased by 67% to £924,316 (2018 £552,536) reflecting the expansion of the service and the running costs of the hospice. Expenditure on raising funds has increased by 46% reflecting increased staffing and other costs in this area needed to generate the income required. Support costs have also increased by 48% with more staff being employed to run the hospice. Support costs have been allocated between charitable activities and activities to raise funds based on time spent by the members of staff employed in this area. Hospice costs have increased by 67% with this being the first year the building has been used. £129,000 of the costs relate to depreciation of the building. The legal costs mentioned in note 1c) are also charged here. Hospice costs are allocated between charitable activities and activities to raise funds on the basis of area of the building occupied. Despite the significant expansion in the service, due to a shortage of suitably qualified staff, it has not been possible to expand as quickly as Trustees would have wished. However, with fundraising now fully staffed and with a steady recruitment of care staff, Trustees plan to further expand the service in 2019/20. The total fund now exceeds £9.65 million having started from nothing in 2006.

#### **PUBLIC BENEFIT**

The trustees considered the guidance offered by the Charity Commission on public benefit and have developed strategic plans to ensure their objectives, the provision of care and support to children with life limiting and life threatening conditions and their families, fall under the purposes defined by section 17 of the Charities Act 2011.

#### HISTORY

John and Fiona Devine set up the charity after identifying the need for a dedicated local children's palliative care service within Berkshire and the surrounding area. Their experience and that of others has been one of the driving factors in making this a reality, with all credit to their amazing son Alexander. The lack of provision for quality respite, symptom management, end of life care and family support is something that has been lacking in the County of Berkshire forcing families to travel long distances out of County to access help elsewhere. The need for a local provision has been well identified by families and health care professionals.

## Report of the Trustees (continued)

#### STRUCTURE

The day to day operations, strategic management and events are managed by Fiona Devine with the support of the trustees and the four senior management staff. Fiona and the senior team have previous management experience and are suitably qualified. By the end of the year the charity employed twenty seven permanent members of staff with twelve of these directly involved in the provision of care. More staff have been employed since the year end. As well as the staff employed directly by the charity, an Alexander's nurse employed by the NHS is also funded by the charity. Performance is overseen by the Board of Trustees receiving regular briefings from the management and timely financial reports.

#### **AIMS AND OBJECTIVES**

The aims of Alexander Devine are to support life limited and life threatened children and their families and carers. This is within their own homes through Alexander's nurses, whether in Berkshire or the surrounding areas, or in the hospice itself. Our ethos is "to reach out to every child and family that needs us."

#### ACHIEVEMENTS

#### HOSPICE

The position of the hospice is ideal for the needs of the children and their families with excellent motorway links between East and West Berkshire and South Bucks. Work on the building commenced in September 2015 and the contractors completed their work at the end of February 2017 and the building was then passed over to the charity. The focus then turned to fitting out the building and obtaining CQC registration. The staff moved in during October 2017 and CQC registration was obtained in May 2018 and the building was opened for soon after this providing day care, hydrotherapy, bereavement and sibling support. The service will be further expanded in a phased way reflecting the availability of staff and funds.

#### SERVICE

Alexander's nurses continue to provide regular quality respite, end of life care and bereavement support to many families in Berkshire and surrounding counties. With the hospice now open to day care our parents can choose between support at home and/or in our purpose build hospice. Our ongoing work continues to recognise the significant gap in regular respite and choice of service for life limited and life threatened children and their families. Our aim has always been to provide a seamless service that supports frequent year-round care throughout the child's life. We aim to offer accessible, responsive, flexible and frequent care to meet the individual needs of a child and that of their family; care delivered when and wherever they need it.

A Care Quality Commission(CQC) report in February 2017 resulted in an overall rating of "good" and they reported "We saw children and young people received care and support in a personalised way. Complex medical needs were managed by staff who were well trained to deliver specialised care and support. Children and young people said they felt safe with staff."

One family shared feedback "'I just wanted to send an e-mail to say a huge thank you to the Alexander Devine team for the support we have had over the last couple of months. We have had a particularly challenging few months and without the support of the Alexander Devine team, we would have struggled even more. It made such a huge difference being able to have some respite, support in the hospital setting and day care service. Having nurses who completely understand him and are experienced in working with him makes such an enormous difference.

All of the Alexander Devine team are so brilliant with him. They are great at keeping him clinically and physically safe, whilst also ensuring he has a brilliant time. He has had a tough six months and there have been points where he has been very frightened and confused, with lots of hospital stays, so it is lovely to see him have such a great time.'

## Report of the Trustees (continued)

#### SERVICE (continued)

In respect of our fundraisers, a quote from the general manager of a shopping centre we work with was:-

" I was first made aware of Alexander Devine at the end of 2016 and was able to visit the site just before it opened on the 13<sup>th</sup> of February 2017. I was fortunate enough to meet Fiona Devine on site along with a number of members of the fundraising and staff.

I was overwhelmed by the passion of the team, the positive "Can Do" attitude of all who had been involved from the very beginning. The team decided the Alexander Devine should be the chosen charity partner for the amazing work they do in Berkshire delivering a much needed children's hospice which gives these children and their families a choice of care and support during an incredibly challenging time in their lives.

We continue to work with the fundraising team and have great fun at the same time.

I had an opportunity to read the Vision and Core values of the Alexander Devine and it is very apparent that the team live and breathe them. Actions not just words, and that comes through in all they do. It has been a real honour to be involved with Alexander Devine and I look forward to a great partnership relationship with all of the team in the future."

The care team led by the Director of Care and assisted by the Quality and Governance lead is registered with CQC and operates under their quality standards. By the end of the period, as well as the Director and Quality and Governance lead who are medically qualified, the team directly employed five nurses, a play specialist and four carers in addition to the NHS employed Alexander's nurse that the charity funds working from the Royal Berkshire Hospital. We also contract with the Royal Berkshire Hospital for the assistance of a paediatrician for two hours of medical support a week.

Our approach of joint working to provide the best benefits to the children is evident in our unique working relationship with the NHS and is something that we are very proud of and value, we believe it to be key in providing continuity of care for the very special children and families we support.

Our community service, which started in November 2013, contributed 2,451 (2018 2,096) hours of respite and emergency respite care and 79 (2018 39) hours of end of life and bereavement care to families that have been referred to the charity. In addition, the service provided 722 (2018 461) visits of a play specialist, and another 921 (2018 876) hours of additional support giving a total of 3,451 (2018 3,011) hours of care plus the care visits. The team supported in the region of 121 (2018 109) families during the year.

Day care in the hospice started in June 2018 and since then there have been 217 children visits along with 65 parents and 120 sibling visit.

#### PLANS FOR THE FUTURE

As the charity continues to grow and services expand to include staffing the hospice it is certain that running costs will increase; the Board are committed to ensuring that costs are closely controlled and kept to a minimum and cash flow projections have been completed up to 2022. The development of a resilient community and corporate fundraising programme throughout Berkshire has established a strong income stream. In line with the strategic plan the Fundraising team has been strengthened with a Director of Fundraising and other staff and they are actively seeking opportunities to develop other income streams and to ensure that our service is sustainable in the long term.

We are actively recruiting for more care staff and are steadily expanding the service we provide. This will be in a phased way reflecting the availability of staff and funds.

## Report of the Trustees (continued)

#### FUNDING

The charity takes the fundraising regulations seriously and has registered with the Fundraising Regulator and Fundraising Institute. The charity raises funds through its corporate contacts who raise money on its behalf, by responding to invitations to visit community groups and by approaching trusts and foundations. Fundraising from individuals is carefully controlled following industry guidelines and no cold calling takes place. No professional fundraisers were used during the year. The charity has a volunteer co-ordinator in post who has responsibility for overseeing volunteers comply with regulations and best practice.

#### SPONSORS

We would like to thank all our corporate sponsors for their faith and ongoing support.

#### **KEY MANAGEMENT STAFF PAY**

The pay of key management personnel is set by the trustees on the recommendation of the Chief Executive after the posts have been benchmarked against similar posts in other charities.

#### **PATRONS and VOLUNTEERS**

In addition to our patrons we have in excess of 135 volunteers who give of their time and endless enthusiasm for the charity. We would like to thank them all sincerely for their help.

#### AUDITORS

HW Fisher have been appointed for another year.

#### ON BEHALF OF THE COUNCIL OF MANAGEMENT

John Devine, Chairman

Date: 26<sup>th</sup> September 2019

## REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF ALEXANDER DEVINE CHILDREN'S CANCER TRUST

#### OPINION

We have audited the financial statements of Alexander Devine Children's Cancer Trust (the 'charity') for the year ended 31 March 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the notes to the accounts, 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 charitable company's affairs as at 31 March 2019 and of its incoming resources and application of resources, for the year then ended;

have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and have been prepared in accordance with the requirements of the Companies Act 2006.

#### **BASIS FOR OPINION**

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

#### CONCLUSIONS RELATING TO GOING CONCERN

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

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

#### **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. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the accounts or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### **OPINIONS ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006**

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

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

# Report of the Independent Auditors to the members of Alexander Devine Children's Cancer Trust (Continued)

#### MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report included within the Trustees' Report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees' Report and from the requirement to prepare a Strategic Report.

#### **RESPONSIBILITIES OF TRUSTEES**

As explained more fully in the Statement of Trustees' Responsibilities, the Trustees, who are also the directors of the charity for the purpose 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 directors 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 charity'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 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. As part of an audit in accordance with ISAs (UK), the auditors exercises professional judgement and maintains professional scepticism throughout the audit.

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

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

Julian Challis (Senior Statutory Auditor) for and on behalf of HW Fisher 2<sup>nd</sup> October 2019

Chartered Accountants Statutory Auditor Acre House 11-15 William Road London United Kingdom NW1 3ER

## STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2019

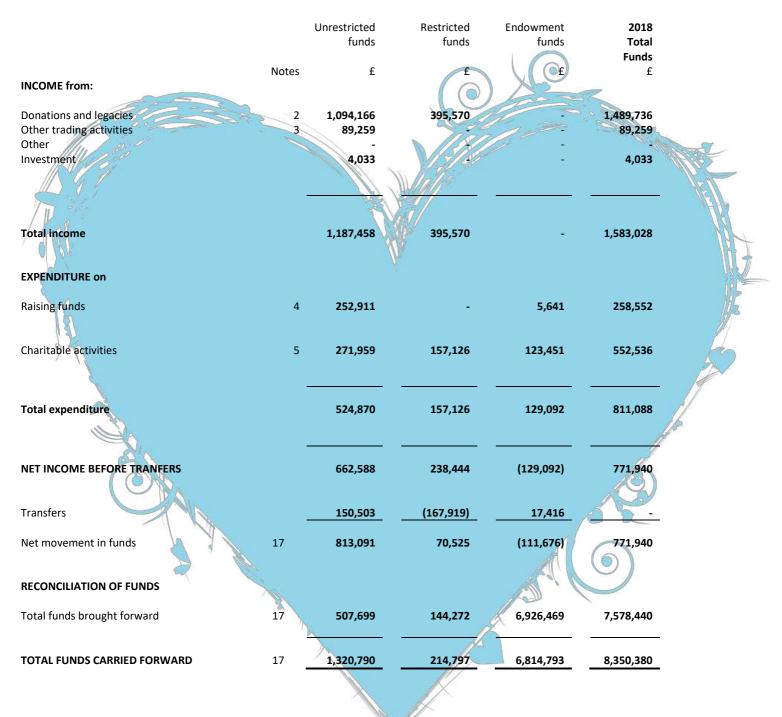
	Notes	Unrestricted funds £	Restricted funds	Endowment	2019 Total Funds £	2018 Total Funds £
INCOME from:	Notes	L				L
Donations and legacies	2	2,239,799	344,392	1	2,584,191	1,489,736
Other trading activities	3	128,791	IS/NO	-	128,791	89,259
Other	1c	(100,000)		-	(100,000)	
Investment		8,243			8,243	4,033
Total income		2,276,833	344,392	-	2,621,225	1,583,028
EXPENDITURE on						R
Raising funds	4	365,796	6,788	5,797	378,381	258,552
Charitable activities	5	599,133	201,864	123,319	924,316	552,536
Total expenditure		964,929	208,652	129,116	1,302,697	811,088
NET INCOME BEFORE TRANFERS		1,311,904	135,740	(129,116)	1,318,528	771,940
Transfers		109,517	(110,711)	1,194		
Net movement in funds	17	1,421,421	25,029	(127,922)	1,318,528	771,940
RECONCILIATION OF FUNDS	No.					
Total funds brought forward	17	1,320,790	214,797	6,814,793	8,350,380	7,578,440
TOTAL FUNDS CARRIED FORWARD	17	2,742,211	239,826	6,686,871	9,668,908	8,350,380

The statement of financial activities includes all gains and losses recognised in the year.

The statement of financial activities also complies with the requirements for the income and expenditure account under the Companies Act 2006. All Income and expenditure derives from continuing activities.

Notes 1 to 18 form part of these financial statements

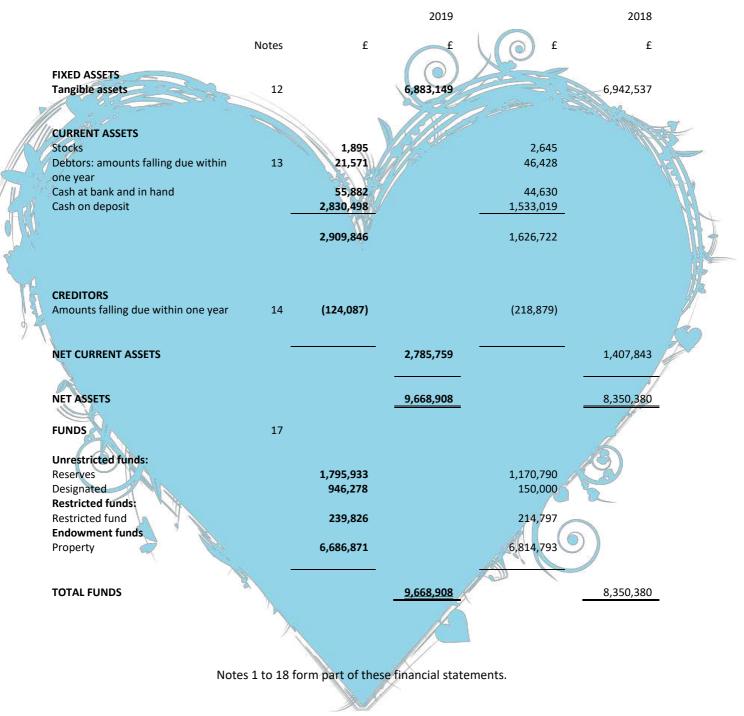
## STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31<sup>st</sup> March 2018



The statement of financial activities also complies with the requirements for the income and expenditure account under the Companies Act 2006.

Notes 1 to 18 form part of these financial statements

## BALANCE SHEET AS AT 31<sup>st</sup> MARCH 2019



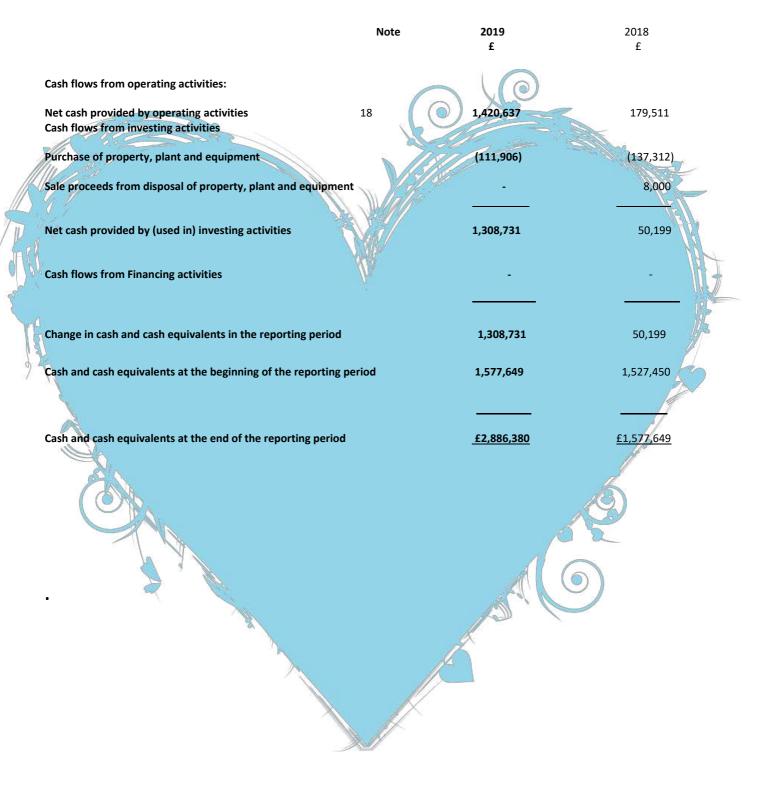
The financial statements were approved by the Council of Management on 26<sup>th</sup> September 2019 and were signed on its behalf by:

John Devine - Chairman

Company Registration No. 5757493

Berkshire's Children's Hospice Service Page 14

## STATEMENT OF CASH FLOWS



## NOTES TO THE FINANCIAL STATEMENTS

#### 1a. ACCOUNTING POLICIES

#### **CHARITY INFORMATION**

Alexander Devine Children's Cancer Trust is a private company limited by guarantee incorporated in England and Wales. The registered office is 122 Tinkers Lane, Windsor, Berkshire, SL4 4LP.

#### ACCOUNTING CONVENTION

These accounts have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS102"), "Accounting and Reporting by Charities", the Statement of Recommended Practice for charities applying FRS 102, The Companies Act 2006 and UK Generally Accepted Accounting Practice as it applies from 1 January 2015. The charity is a Public Benefit Entity as defined by FRS 102.

The accounts are prepared in sterling which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The accounts have been prepared on the historical cost convention. The principal accounting policies adopted are set out below.

#### **GOING CONCERN**

At the time of approving the accounts, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the accounts.

#### INCOME

- Donations and legacies are recognised as income when receivable, except insofar as they are incapable of financial measurement.
- Grants are recognised in full in the Statement of Financial Activities in the year in which they are receivable or any requirement imposed on the grant is fulfilled.
- Investment income is recognised on a receivable basis.

#### EXPENDITURE

- Costs of raising funds are those costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds and an apportionment of support costs.
- Costs of charitable activities comprise all expenditure identified as wholly or mainly attributable to achieving the objectives of the charity. These costs include staff costs, wholly or mainly attributable support costs and an apportionment of support costs.

#### IMPAIRMENT OF FIXED ASSETS

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to the present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset reduced to its recoverable amount. An impairment loss is recognised immediately in income/expenditure for the year, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

## Notes to the Financial Statements (Continued)

#### 1a. ACCOUNTING POLICIES (continued)

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately, unless the relevant asset is carried in at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

#### **FINANCIAL INSTRUMENTS**

The charity has elected to apply the provisions of Section11 "Basic Financial Instruments" and Section 12 "Other Financial Instruments Issues" of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability immediately.

#### Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

#### Basic financial liabilities

Basic financial liabilities, including creditors are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Financial instruments classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

#### TANGIBLE FIXED ASSETS

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life. Items costing over £1,000 are capitalised.

Office equipment - 20% on cost Computer equipment - 25% on cost Hospice equipment - 20% on cost Completed freehold buildings - 2% on cost Land is not depreciated.

#### **STOCKS**

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

#### DEBTORS

Debtors include amounts owed to the charity for the provision of goods and services as well as amounts paid in advance for goods and services it will receive.

#### CASH AT BANK AND IN HAND

Cash at bank and in hand is held to meet short term commitments as they fall due rather than for investment purposes.

Berkshire's Children's Hospice Service Page 17

## Notes to the Financial Statements (Continued)

#### 1a. ACCOUNTING POLICIES (continued)

#### **CASH ON DEPOSIT**

Cash on deposit represents monies held on a short term basis in excess of immediate requirements which are invested to produce investment income.

#### CREDITORS

Creditors include amounts due for goods and services provided to the charity and income received in advance. Last year creditors also included a technical overdraft which represented the bank balance less outstanding cheques which were met from cash on deposit when presented.

#### TAXATION

The charity is exempt from corporation tax on its charitable activities.

#### FUND ACCOUNTING

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Endowment funds represent the value of the building and land. This is not readily realisable as the donors of the land restricted the use of the land.

Designated funds comprise funds which have been set aside at the discretion of the charity for specific purposes The purposes and uses of the designated funds are set out in the notes to the accounts.

Further explanation of the nature and purpose of each fund is included in note 17 to the financial statements.

#### SUPPORT COSTS

Support costs are split between charitable activities and the cost of raising funds on the basis of the number of staff employed in each activity.

#### 1b. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

In the application of the Foundation's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

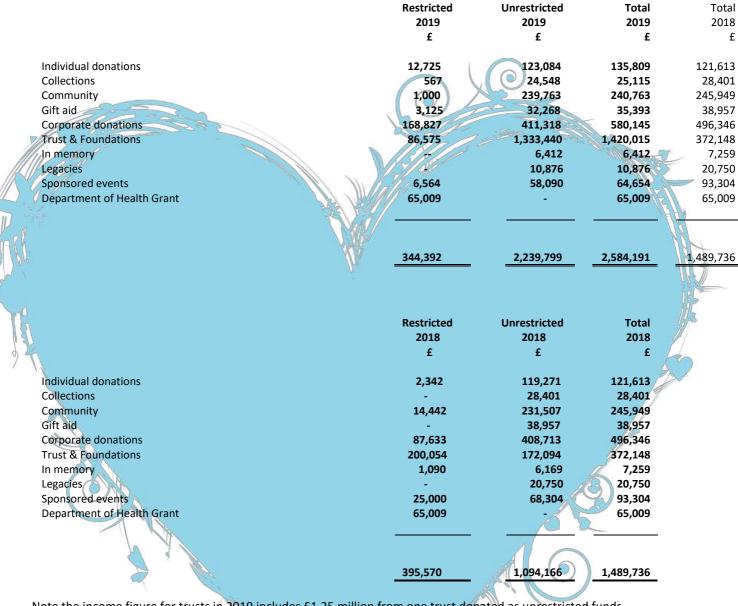
The Trustees do not consider there to be any critical accounting estimates or judgements in preparing the financial statements.

#### 1c. BREACH OF COVENANT

The charity successfully claimed damages for breach of covenant in 2017. £150,000 plus costs was awarded by the Lands Tribunal. The Trustees took the decision to appeal and were successful on all points during the year. The Lands Tribunal ruling was set aside and £150,000 damages were repaid. £50,000 was awarded in costs as an interim amount on account. The net amount of these transaction amounting to a charge of £100,000 has been shown in other income. Trustees are now considering their next steps. All costs incurred during the year are shown under note 9.

## Notes to the Financial Statements (Continued)

#### 2. INCOME FROM DONATIONS & LEGACIES



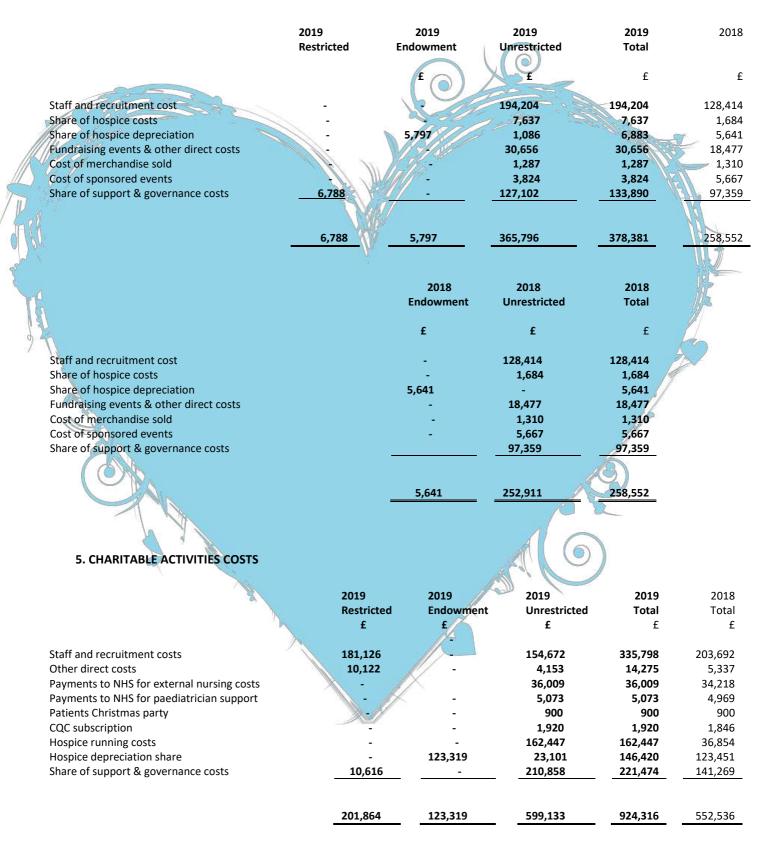
Note the income figure for trusts in 2019 includes £1.25 million from one trust donated as unrestricted funds.

#### 3. INCOME FROM OTHER TRADING ACTIVITIES

	2019	2018
	Unrestricted	Unrestricted
	£	£
Fundraising events	84,984	57,526
Volunteer events	42,662	26,967
Recycling	-	67
Sale of merchandise	1,145	3,128
Recharge of costs		1,571
	128,791	89,259

## Notes to the Financial Statements(Continued)

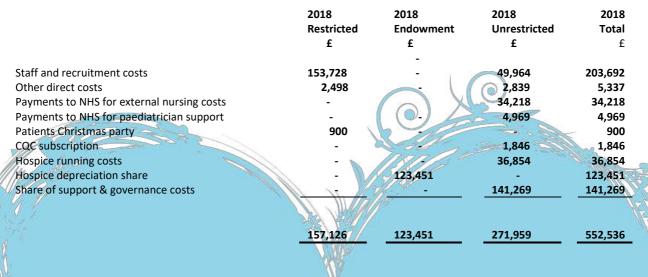
#### 4. EXPENDITURE ON RAISING FUNDS



Berkshire's Children's Hospice Service Page 20

## Notes to the Financial Statements (Continued)

#### 5. CHARITABLE ACTIVITIES COSTS (Continued)



The Charity supports the cost of a palliative care nurse based at The Royal Berkshire NHS Trust Hospitals and also at the end of March 2019 employed a Director of Nursing, a Quality & Governance lead, nurses, a play specialist and carers directly.

#### SUPPORT & GOVERNANCE COSTS

6.

		50
Support costs	2019	2018
À	£	£
Staff and recruitment costs	238,753	144,645
Office rent & utilities	19,385	19,610
Telephone, bank costs, printing & other office costs	52,019	35,150
Travel costs	223	3,054
Consultancy	1,634	302
Insurance	18,410	17,384
Depreciation	17,990	12,067
Governance costs	348,414	232,212
Audit fee	4,998	5,736
Trustee expenses	1,952	680
Total support & governance costs	<u>6,950</u> 355,364	6,416
		)020

Support and governance costs are split between charitable activities and cost of raising funds on an assessment of the workload of each employee allocated to support.

## Notes to the Financial Statements (Continued)

#### 7. **NET INCOME**

8.

Net income is stated after charging:

£ £ 171,294 150,445 Depreciation – owned assets 4,998 5,736 Auditors remuneration Auditors other fees

2019

2018

#### **TRUSTEES' REMUNERATION AND BENEFITS**

Apart from as set out below there were no trustees' remuneration or other benefits for the year ended 31 March 2019 nor for the year ended 31 March 2018. Trustees' expenses paid for the year ended 31 March 2019 were £1,952 (2018: £680) paid to one (2018 two) Trustee. These sums were paid in reimbursement of items purchased on behalf of the charity.

The Charity Commission has given approval for the employment of Mrs Fiona Devine as CEO. Her total remuneration for the year to 31st March 2019 amounted to £67,627 (2018 £64,983). Employer National insurance costs on this amounted to £8,170 (2018 £7,841).

There are no other related party transactions other than those disclosed above.

#### **HOSPICE COSTS**

		20
	2019	2018
N.	£	E
Utilities	` 26,388	17,777
Depreciation of buildings and equipment	153,303	138,377
Equipment maintenance	7,256	7,845
Legal costs see note 1c	127,108	-
General running costs	9,332	3,631
	323,387	167,630

Hospice are split between charitable activities and cost of raising funds on the basis of area occupied.

#### **STAFF COSTS** 10.

	2019 () f	2018 £
Wages and salaries - charitable activities	273,244	173,310
fundraising activities	169,626	114,231
support and governance	<u>210,409</u>	<u>130,179</u>
Total wages and salaries	653,279	417,720
Employer National Insurance	58,204	35,875
Travel & uniforms	17,526	8,386
Staff training	3,738	960
Pension costs	24,123	9,272
Recruitment fees	11,885	4,537
	768.755	476.750

There were thirteen permanent full time employees and fourteen part time employees as at 31<sup>st</sup> March 2019 equal to 20.72 (2018 14.53) full time employees. The average number of full time equivalent employees during the year was 19.69 (2018 12.54).

No employee earned more than £60,000 per annum apart from Mrs Devine as above.

Remuneration for the five key management staff in the year was £247,383 (2018 3 staff £159,280)

#### Berkshire's Children's Hospice Service Page 22

## Notes to the Financial Statements (Continued)

#### **11. FINANCIAL INSTRUMENTS**

					2019	2018
Carryin	ng amount of financial assets				£	£
	struments measured at amortised cost			1	<u>9,726</u>	<u>27,677</u>
	ng amount of financial liabilities red at amortised cost				<u>110,292</u>	<u>206,044</u>
12.	TANGIBLE FIXED ASSETS			sil -		2
	. Pro	Land &	Hospice	Office	Computer	Tabala
	7	buildings £	equipment	equipment £	equipment £	Totals £
	COST			-	-	
TID AR	At 1 April 2018	6,954,614	83,804	11,024	76,280	7,125,722
Gell	Additions	1,194	100,242	-	10,470	111,906
of Mr	Disposals	-	- <u>-</u>	-	-	
44	At 31 March 2019	6,955,808	184,046	11,024	86,750	7 <u>,237,628</u>
181	DEPRECIATION					1
52	At 1 April 2018	139,821	9,811	9,273	24,280	183,185
	Charge for year	129,116	24,187	920	17,071	171,294
4	Disposals					
	At 31 March 2019	268,937	33,998	10,193	41,351	354,479
	NET BOOK VALUE					
	At 31 March 2019	6,686,871	150,048	831	45,399	6 <u>,883,149</u>
	At 31 March 2018	6,814,793	73,993	1,751	52,000	6,942,537

Land was gifted to the Charity in March 2012 and was valued at £500,000. The cost of fees, construction and of additional work, have been capitalised and added to the cost of land.

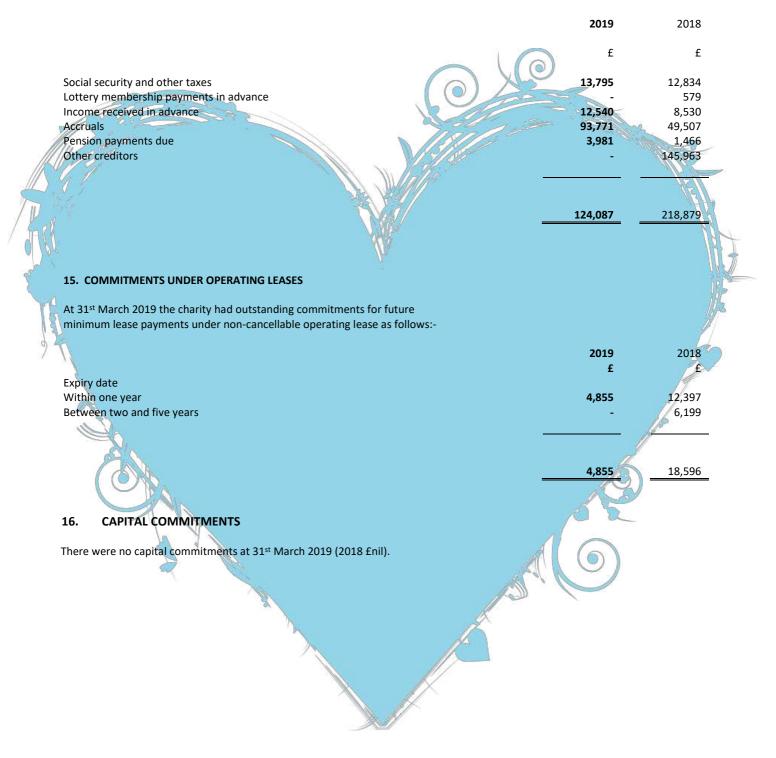
#### 13 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

2019	2018
£	£
8,103	6,964
220	20,000
400	200
5,627	6,249
6,218	12,503
1,003	512
	£ 8,103 220 400 5,627 6,218

**21,571** 46,428

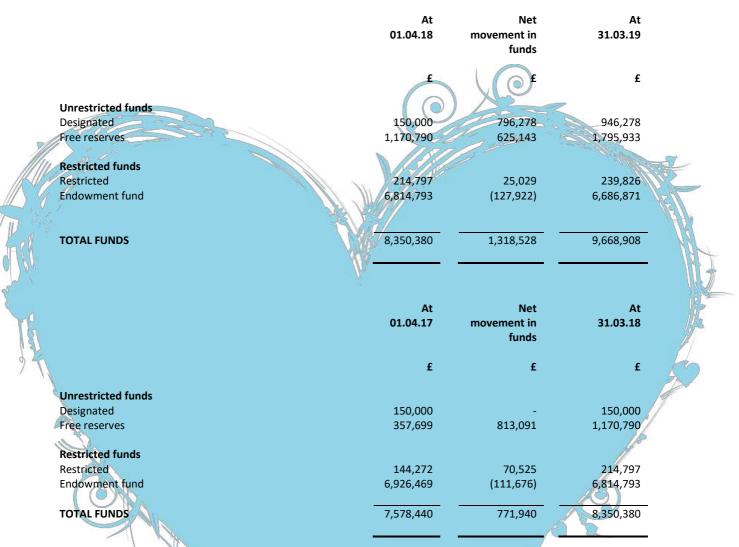
## Notes to the Financial Statements (continued)

#### 14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR



## Notes to the Financial Statements (continued)

#### 17. MOVEMENT IN FUNDS



The endowment fund represents the value of land donated on 28<sup>th</sup> March 2012 plus amounts spent on the building less depreciation.

There is a covenant in the transfer agreement that the land may only be used for a hospice, hospital or nursing home and a change of use could not be attempted without the approval of the donors or their successors.

The fixed assets reserve is a new reserve and, like the endowment reserve, represents amounts locked up in fixed assets that cannot be used without adversely affecting the service provided.

Designated funds were set aside by the Trustees for further work on the hospice and gardens and for ongoing maintenance for the hospice. Also to take account of the amounts tied up in fixed assets that cannot readily be realised.

# Notes to the Financial Statements (continued)

#### FUND BALANCES AT 31<sup>ST</sup> MARCH 2019

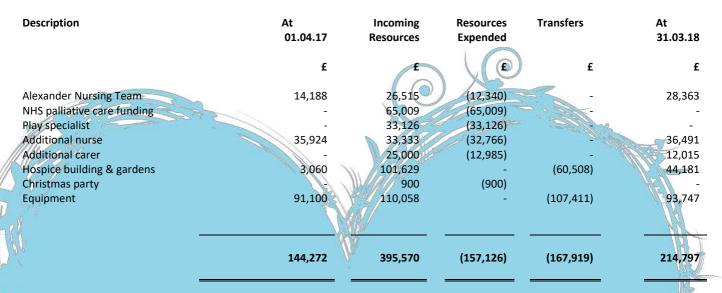
	Unrestricted fu	unds R	estricted funds	Endowment	Total
		£	f	f	£
Tangible fixed assets	196	,278	VA	6,686,871	6,883,149
Current assets	2,670,		239,826		2,909,846
Creditors: amounts falling due within one	(124,0	087)	The second		(124,087)
year		19/3	5		
$\mathbb{N}^{n}$					
TOTAL FUNDS AS AT 31 <sup>st</sup> MARCH 2019	2,742,	,211	239,826	6,686,871	9,668,908
		<u> </u>			
114		P.			MAN-
126	N N				
FUND BALANCES AT 31 <sup>st</sup> MARCH 2018					
	Unrestricted fu	unds R	estricted	Endowment	Total
TR.			funds	Lindomient	JA JA
9 5		£	£	£	
		-	-	-	
					17
Tangible fixed assets Current assets	127, 1,411,	,744 025	- 214,797	6,814,793	6,942,537 1,626,722
Creditors: amounts falling due within one	(218,8		-	-	(218,879)
year	()	,			
200			·		
TOTAL FUNDS AS AT 31 <sup>st</sup> MARCH 2018	1,320,	.790	214,797	6,814,793	8,350,380
				par	
PURPOSE OF RESTRICTED FUNDS				10	
			Â		
Restricted funds must be used in accordance wit	h specific conditions	imposed by do	nors.		
Description	At	Incoming	Resources	Transfers	At
-	01.04.18	Resources	Expended		31.03.19
	f	£	£	£	£
Alexander Nursing Team	28,363	13,360	(15,122)	_	26,601
NHS palliative care funding	20,505	65,009	(65,009)	-	
Play specialist	-	49,344	(11,500)	-	37,844
Additional nurse	36,491	102,435	(87,602)	-	51,324
Additional carer	12,015	-	(12,015)	-	-
Hospice gardens	44,181	108,713	-	(47,187)	105,707
Equipment	93,747	5,531	(17,404)	(63,524)	18,350
	214 797	21/1 202	(208 652)	(110 711)	239,826
	214,797	344,392	(208,652)	(110,711)	239

Berkshire's Children's Hospice Service Page 26

## Notes to the Financial Statements (continued)

#### PURPOSE OF RESTRICTED FUNDS

Restricted funds must be used in accordance with specific conditions imposed by donors.



The Alexander Nursing team fund arose from a number of donations that were restricted to the care team associated activities and is being spent on providing direct care and support to life limited children and their families.

NHS palliative care funding is a Section 64 grant from the Department of Health specifically for the cost of palliative care in the community.

Donations have also been received to fund a play specialist as well as an additional nurse and carer.

The gardens fund was set up to raise money to construct gardens for the hospice. Donations to this fund are set against expenditure on the gardens.

A number of other donations have been received for equipment for the hospice. A number of these are restricted to specific items.

The transfers arose in respect of expenditure on gardens and equipment which were directly allocated to the balance sheet and not to the income and expenditure account.

## Notes to the Financial Statements (continued)

#### 18. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

