



**Alexander
Devine**
Children's Hospice
Service



Annual Report and Financial Statements

For the year ended 31st March 2022

REACHING OUT TO EVERY CHILD AND FAMILY THAT NEEDS US

www.alexanderdevine.org

Company No. 05757493
Registered Charity No. 1118947

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REPORT OF THE TRUSTEES (including Directors Report)

The Trustees who are also directors and members 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 31st March 2022. The Trustees have adopted the provisions of 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 (FRS 102) (effective 1 January 2019).

ABOUT THE CHARITY

Alexander Devine Children's Hospice Service (Alexander Devine) is a registered charity (no.1118947) and company limited by guarantee (No. 5757493).

We are registered as a service provide under the Health and Social Care Act 2008 to carry out regulated activity of treatment of disease, disorder and injury. We are required to register with the Care Quality Commission and the current rating is Good.



John and Fiona Devine set up the charity in memory of their extraordinary little boy, Alexander, who in early 2006 sadly passed away at the age of eight from a rare brain tumour. Their personal experience, and subsequent extensive research, let them to realise that there was a vital need for a local children's hospice service with a hospice facility in Berkshire.

The charity was established in 2007 and has grown to become the key provider for children's palliative care in Berkshire. The hospice building, based just outside Maidenhead, was opened in the summer of 2018. Complementing the established community service, it provides day care, overnight respite and end of life care as well as splash sessions in the hydrotherapy pool, specialist play, music therapy and sibling support.

VISION AND MISSION

Our vision is to provide a children's hospice service within Berkshire and into surrounding counties that will give children and families a choice of care and support from a skilled team. We work closely with the NHS, local authorities and other services to deliver care in the community and in the hospice.

Our mission is to reach out to every child and family who needs us, offering support and care from people who understand.



In 2022, the charity is celebrating 15 years of providing specialist care and vital support to children and families across Berkshire and into surrounding counties

SERVICE

Alexander Devine Children's Hospice Service provides palliative and end of life care to babies, children and young people with a life-limiting or life-threatening condition aged 0-25. We care for a wide range of difference conditions and our staff is skilled in meeting the individual and complex needs of each individual child and young person. The support we provide extends to the whole family from diagnosis through to bereavement.

Our service is vital with more than 1,370 children with life-limiting conditions across Berkshire alone. Research shows that this number is likely to increase a further 11% by 2030. (Data source: 'Make Every Child Count' study by Fraser et al 2018)

We work closely with our NHS colleagues and Children's Community Nursing teams to ensure families have timely access and seamless care.

For children who meet our eligibility criteria our service includes:

	Community respite care		Family support for all family members before and into bereavement
	End of life care		Specialist play
	Day care and overnight respite		Sibling support
	Hydrotherapy		Music therapy
	Symptom management		Counselling

All services are free at point of delivery and are funded through a combination of mainly fundraising activity and a small amount of support from NHS England and local commissioning groups.

ACHIEVEMENTS

We have invested in care delivery to support quality and safe care to improve the experience and outcome for babies, children and young people who require specialist palliative care. Alexander's Care Team, led by the Director of Care and supported by the Lead for Quality and Governance. In March 2022, the Care Quality Commission (CQC) carried out its first inspection of our children's hospice service. We were rated GOOD and the inspectors identified some outstanding areas of practice, including:

- *“Staff went the extra mile in their care and were committed to find ways to make a difference to children, young people, and their families.”*
- *“Staff got to know children, young people and their families as individuals, and built up a strong rapport with them to enable innovative care.”*

“I have found the support offered by Alexander Devine absolutely invaluable, literally a lifeline.”

Parent supported by Alexander Devine, 2022 Family Survey

Care is delivered by a skilled multi professional team made up of qualified nurses, clinical nurse specialists, carers, play specialists, music therapists, counsellors, pharmacist and doctors.

Of note, the achievements this year have included:

- End of life care in the hospice
- Opening the Dolphin Suite, a dedicated space at the hospice for end of life care and bereavement support
- Reaching out to more families with the caseload of children increasing to 151 (including 40 bereaved families)
- Extending our Family Support by appointing Matron & Counsellor including holding the first remembrance event at the hospice

Over the course of the year, Alexander's Care Team has in total delivered 17,184 (2021 14,454) hours of care to children and families.

The number of children, young people and families Alexander's Care Team supports has continued to grow. By the end of March 2022 it had increased to 151 (2021: 143).

We are finding that the cases referred to us, of which there were 32 in the past year, are becoming more complex such that where a visit previously could be made using just one member of staff, this increasingly needs two.



PLANS FOR THE FUTURE

The charity had planned to continue to grow and expand services in 2020/21 and thereafter. The restrictions surrounding the COVID-19 virus caused us to pause this further expansion and do everything we could to reduce costs as we suffered a large drop in income with many of the companies and groups that provide a significant proportion of our income closing for a period of time and almost all suffering drops in income. We received income from NHS England to assist us to continue in operation and ease the burden on local hospitals.

For 2021/22, although our usual funding remained low the Board is happy that with the reserves we now have in place, the charity can continue expanding the service, in line with the strategic plan, with the fundraisers actively seeking opportunities to develop other income streams to ensure that our service is sustainable in the long term. The main obstacle to doing this is the shortfall in suitably qualified staff which affects all hospices and in particular children's hospices. The workforce issue is a national problem and well-recognised by Together For Short Lives, Hospice UK and the NHS.

GOVERNING DOCUMENT

Alexander Devine Children's Cancer Trust is a charitable company limited by guarantee, incorporated on 27th March 2006 and registered as a charity on 25th 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 5th October 2017. The charity operates as Alexander Devine Children's Hospice Service.

All Trustees give their time voluntarily and received no benefits from the charity, with the exception of Dr Fiona Devine as she works full time for the charity as CEO 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 financial statements. 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 TRUSTEES

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 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 adequate 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.

Each of the Trustees has confirmed that in so far as they are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and,
- they 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.

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 the authorisation of all transactions and projects. Procedures are in place to ensure compliance with health and safety regulations for staff, volunteers and families. A comprehensive risk register is in place which is reviewed by the senior management team on a quarterly basis with the biggest risk being difficulty in finding staff. The charity raises money from a suitable spread of sources thereby minimising the risk to overall income of the charity. The Trustees believe that the charity will be able to sustain the service despite the threat of reduced income due to COVID-19. They believe it will prove possible to continue expansion in a measured way.

RESERVES

The target for free reserves now stands at between twelve and fifteen months of ongoing expenditure which is between £1,743,000 and £2,179,000 based on 2021/22 costs. However, with the planned expansion of the service, these figures increase to between £2,331,000 and £2,914,000 for 2022/23. They believe this level will enable the charity to continue its activities and make all payments as they fall due whatever short-term issues may arise. The level of free reserves at the end of March 2022 was £4,152,124 (2021: £2,128,574). Due to the windfall £1.8 million legal receipt this figure is above the Trustees target. However, with a shortfall in income predicted for the next two years they are happy that this level of reserves is appropriate given this, the continuing uncertainty and the expansion in service that they wish to make.

The Trustees believe that they are managing risk and have a sensible and sustainable approach.

FINANCIAL REVIEW

Total income for the year was £3,817,198 (2021: £1,888,773), showing an increase of over 100% on the previous year. This was completely skewed by the one off legal receipt and without this would be comparable to last year with the usual sources of income producing much less during the year due to the pandemic, but this was supplemented by restricted funding from NHS England of £214,000 which was given to the charity so that the service could continue and could take pressure off the NHS. We have also secured funds from East and West Berkshire Clinical Commissioning Groups to contribute towards the cost of the paediatric end of life pathway.

Expenditure on charitable activities has increased by 12% to £1,435,150 (2021: £1,280,888) reflecting the expansion of the service and the increased running costs of the hospice. Expenditure on raising funds has decreased by nearly 12% to £307,506 (2021: £349,077) reflecting the decreased level of staff required due to the pandemic and a reduction in fundraising activities as well as the loss of our Fundraising Director who had to depart part way through the year for personal reasons.

Support and governance costs have reduced by 1%. 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 9%. £199,000 of this is depreciation with £130,000 of this being building depreciation. 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 difficulty in recruiting staff it has not been possible to expand as quickly as Trustees would have wished. The net movement of funds was £2,074,542 (2021: £258,808). The total fund is now over £12.1 million despite 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 4 of the Charities Act 2011.

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 34 permanent members of staff with 20 of these directly involved in the provision of care. Governance is overseen by the Board of Trustees who receive regular briefings from the management and timely financial reports.

FUNDING

The charity takes the fundraising regulations seriously and is registered with the Fundraising Regulator and Fundraising Institute.

The charity raises funds through a variety of income streams, predominantly grants from trusts and foundations, major donors, individual givers, corporate partnerships, community groups and fundraising events. Fundraising from individuals is carefully controlled following

industry guidelines and no cold calling takes place. The charity does not employ third party organisations for its fundraising.

The charity has a Volunteer Development Manager in post who has responsibility for overseeing volunteers and their compliance with regulations and best practice.

DONORS AND SUPPORTERS

We would like to thank all those who give so generously to our charity for their faith, commitment to us and ongoing support.

KEY MANAGEMENT STAFF PAY

The pay of the charity's senior management team is set by the Trustees on the recommendation of a third party HR consultancy, which benchmarks the roles against similar posts in other charities.

PATRONS AND VOLUNTEERS

In addition to our nine patrons, we have over 150 volunteers who give up their time and offer endless enthusiasm for the charity. We would like to thank them all sincerely for their help.

AUDITORS

A resolution to reappoint Moore Kingston Smith LLP as auditors will be presented at the AGM.

ON BEHALF OF THE BOARD

John Devine, Chairman

Date: 29th September 2022

REFERENCE AND ADMINISTRATIVE DETAILS

Registered company number

05757493 (England and Wales)

Registered charity number

1118947

Registered office

Alexander Devine Children's Hospice
Snowball Hill
Maidenhead, Berkshire
SL6 3LU

Trustees

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

Trustees are also directors of the company and members of the charity

Patrons

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

Key management staff

Dr Fiona Devine, CEO
Dr Helen Bennett, Director of Care
Mr Andrew Rice, Director Finance
Mr Warren King, Director of HR and Wellbeing
Mrs Harjit Bola, Director of Fundraising (left September 2021)

Hospice

Snowball Hill
Maidenhead
Berkshire
SL6 3LU

Telephone

01628 822777
0845 055 8276

Website

www.alexanderdevine.org

Email

fundraising@alexanderdevine.org

Auditors

Moore Kingston Smith LLP
Chartered Accountants
9 Appold Street
London
EC2A 2AP

Bankers

HSBC Bank Plc
25 High Street
Windsor
Berkshire
SL4 1LN

Barclays Bank Plc
29-30 High Street
Windsor
Berkshire
SL4 1PG

Shawbrook Bank
Lutea House,
Warley Hill Business Park
Great Warley, Brentwood
Essex, CM13 3BE

Solicitors

Russell-Cooke
2 Putney Hill
London
SW15 6AB

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 31st March 2022 which comprise the statement of financial activities, the balance sheet the statement of cash flows, and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31st March 2022 and of its 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 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

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 charity'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. 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.

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 financial statements 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.

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 charitable 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 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 charitable 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 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.

As part of our planning process;

- We enquired of management the systems and controls the charity has in place, the areas of the financial statements that are most susceptible to the risk of irregularities and fraud, and whether there was any known, suspected or alleged fraud. The charity did not inform us of any known, suspected or alleged fraud.
- We obtained an understanding of the legal and regulatory frameworks applicable to the charity. We determined that the following were most relevant: FRS 102, The Companies Act 2006, The Charities SORP and The Charities Act 2011.
- We considered the incentives and opportunities that exist in the charity, including the extent of management bias, which present a potential for irregularities and fraud to be perpetuated, and tailored our risk assessment accordingly.
- Using our knowledge of the charity, together with the discussions held with the charity at the planning stage, we formed a conclusion on the risk of misstatement due to irregularities including fraud and tailored our procedures according to this risk assessment.

The key procedures we undertook to detect irregularities including fraud during the course of the audit included:

- Identifying and testing journal entries and the overall accounting records, in particular those that were significant and unusual.
- Reviewing the financial statement disclosures and determining whether accounting policies have been appropriately applied.
- Reviewing and challenging the assumptions and judgements used by management in their significant accounting estimates.
- Assessing the extent of compliance, or lack of, with the relevant laws and regulations.
- Reviewing documentation such as the charity board minutes for discussions of irregularities including fraud.
- Obtaining third-party confirmation of material bank balances.
- Documenting and verifying all significant related party balances and transactions.
- Performing a physical verification of key assets

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. The primary responsibility for the prevention and detection of irregularities and fraud rests with those charged with governance of the entity.

A further description of our responsibilities is available 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 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.

Shivani Kothari (Senior Statutory Auditor) for and on behalf of Moore Kingston Smith LLP

Chartered Accountants
Statutory Auditor
9 Appold Street
London
EC2A 2AP
United Kingdom

2022

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31ST MARCH 2022

	Notes	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2022 Total funds £	2021 Total funds £
INCOME from						
Donations and legacies	2	792,036	1,081,895	-	1,873,931	1,759,862
Trading activities	3	139,230	-	-	139,230	42,462
Other	1c	1,800,000	-	-	1,800,000	81,815
Investment		4,037	-	-	4,037	4,634
Total income		2,735,303	1,081,895	-	3,817,198	1,888,773
EXPENDITURE on						
Raising funds	4	301,636	-	5,870	307,506	349,077
Charitable activities	5	462,374	847,917	124,859	1,435,150	1,280,888
Total expenditure		764,010	847,917	130,729	1,742,656	1,629,965
NET INCOME BEFORE TRANSFERS		1,971,293	233,978	(130,729)	2,074,542	258,808
Transfers		6,411	(6,411)	-	-	-
Net movement in funds	16	1,977,704	227,567	(130,729)	2,074,542	258,808
RECONCILIATION OF FUNDS						
Total funds brought forward	16	3,475,530	101,809	6,481,286	10,058,625	9,799,817
TOTAL FUNDS CARRIED FORWARD	16	5,453,234	329,376	6,350,557	12,133,167	10,058,625

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 19 form part of these financial statements.

BALANCE SHEET AS AT 31ST MARCH 2022

		2022		2021	
	Notes	£	£	£	£
FIXED ASSETS					
Tangible assets	11		6,501,546		6,678,242
CURRENT ASSETS					
Stocks		1,543		1,333	
Debtors: amounts falling due within one year	12	236,455		166,917	
Cash at bank and in hand		55,702		70,777	
Cash on deposit		5,573,945		3,536,716	
		5,867,645		3,775,743	
CREDITORS					
Amounts falling due within one year	13	(236,024)		(395,360)	
NET CURRENT ASSETS					
			5,631,621		3,380,383
NET ASSETS					
			<u>12,133,167</u>		<u>10,058,625</u>
FUNDS					
	16				
Unrestricted funds:					
Reserves		4,152,124		2,128,574	
Designated		1,301,110		1,346,956	
		5,453,234		3,475,530	
Restricted funds:					
Restricted fund		329,376		101,809	
Endowment funds:					
Property		6,350,557		6,481,286	
TOTAL FUNDS					
			<u>12,133,167</u>		<u>10,058,625</u>

Notes 1 to 19 form part of these financial statements.

The financial statements were approved by the Board on 29th September 2022 and were signed on its behalf by:

John Devine – Chairman

Company Registration No. 05757493

STATEMENT OF CASH FLOWS

	Notes	2022 £	2021 £
Cash flows from operating activities:			
Net cash provided by operating activities	17	2,053,198	633,131
Cash flows from investing activities:			
Investment income		4,037	4,634
Purchase of property, plant and equipment		(35,081)	(67,848)
Sale proceeds from disposal of property, plant and equipment		-	-
Net cash provided by (used in) investing activities		2,022,154	569,917
Cash flows from financing activities		-	-
Change in cash and cash equivalents in the reporting period		2,022,154	569,917
Cash and cash equivalents at the beginning of the reporting period		3,607,493	3,037,576
Cash and cash equivalents at the end of the reporting period		5,629,647	3,607,493

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.

Accounting convention

The financial statements have been prepared in accordance with the Companies Act 2006 and "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 1st January 2019)". The charity is a Public Benefit Entity as defined by FRS 102.

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

The financial statements 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 financial statements, despite the effects of COVID-19, given the reserves held, 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 financial statements.

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

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment

loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Financial instruments

The charity has elected to apply the provisions of Section 11 "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.

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.

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 trustees for specific purposes. The purposes and uses of the designated funds are set out in the notes to the financial statements.

Further explanation of the nature and purpose of each fund is included in note 16 to the financial statements.

Support

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.

Depreciation is the only material ongoing estimate in these accounts. Assets are depreciated based on their estimated useful life.

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

1c. OTHER INCOME

£nil (2021: £81,815) was received in respect of furlough payments from HMRC.

The charity claimed damages for breach of covenant over land adjacent to their premises in 2017. £150,000 plus costs was awarded by the Lands Tribunal. However, the Trustees did not think this was adequate compensation and successfully appealed during the year 2018/19. 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 transactions amounting to a charge of £100,000 was shown in other income in 2018/19. The other party made a counter appeal but were not successful. The Trustees have negotiated compensation amounting to £1.8 million which has been received in the year. All costs incurred during the year were treated as governance costs and are shown in note 6.

2. INCOME FROM DONATIONS AND LEGACIES

	2022 Restricted £	2022 Unrestricted £	2022 Total £	2021 Total £
Individual donations	650	116,553	117,203	176,763
Collections	-	8,558	8,558	4,119
Community	-	115,272	115,272	98,109
Gift aid	-	43,129	43,129	50,285
Corporate donations	-	307,885	307,885	300,525
Trust and Foundations	399,805	95,589	495,394	379,131
In memory	-	28,003	28,003	15,002
Legacies	-	20,000	20,000	4,500
Sponsored events	-	57,047	57,047	64,234
Clinical Commissioning Group income	342,650	-	342,650	100,158
NHS England COVID-19 support	213,514	-	213,514	460,657
Department of Health Grant	125,276	-	125,276	106,379
	1,081,895	792,036	1,873,931	1,759,862

	2021 Restricted £	2021 Unrestricted £	2021 Total £
Individual donations	3,000	173,763	176,763
Collections	-	4,119	4,119
Community	(2,288)	100,397	98,109
Gift aid	-	50,285	50,285
Corporate donations	39,000	261,525	300,525
Trust and Foundations	235,673	143,458	379,131
In memory	-	15,002	15,002
Legacies	-	4,500	4,500
Sponsored events	-	64,234	64,234
Clinical Commissioning Group income	100,158	-	100,158
NHS England COVID-19 support	460,657	-	460,657
Department of Health Grant	106,379	-	106,379
	942,579	817,283	1,759,862

3. INCOME FROM OTHER TRADING ACTIVITIES

	2022	2021
	Unrestricted	Unrestricted
	£	£
Fundraising events	86,346	32,547
Volunteer events	50,583	8,493
Recycling	-	14
Sale of merchandise	2,301	1,408
	139,230	42,462

4. EXPENDITURE ON RAISING FUNDS

	2022	2022	2022	2022	2021
	Restricted	Endowment	Unrestricted	Total	Total
	£	£	£	£	£
Staff and recruitment costs	-	-	124,863	124,863	204,340
Share of hospice costs	-	-	2,896	2,896	1,900
Share of hospice depreciation	-	5,870	3,084	8,954	8,885
Fundraising events and other direct costs	-	-	49,382	49,382	14,639
Cost of merchandise sold	-	-	1,819	1,819	1,533
Cost of sponsored events	-	-	-	-	396
Share of support and governance costs	-	-	119,592	119,592	117,384
	-	5,870	301,636	307,506	349,077

	2021	2021	2021	2021
	Restricted	Endowment	Unrestricted	Total
	£	£	£	£
Staff and recruitment costs	-	-	204,340	204,340
Share of hospice costs	-	-	1,900	1,900
Share of hospice depreciation	-	5,835	3,050	8,885
Fundraising events and other direct costs	-	-	14,639	14,639
Cost of merchandise sold	-	-	1,533	1,533
Cost of sponsored events	-	-	396	396
Share of support and governance costs	239	-	117,145	117,384
	239	5,835	343,003	349,077

5. EXPENDITURE ON CHARITABLE ACTIVITIES

	2022 Restricted £	2022 Endowment £	2022 Unrestricted £	2022 Total £	2021 Total £
Staff and recruitment costs	475,627	-	200,788	676,414	588,834
Other direct costs	16,959	-	11,677	28,636	24,967
Payments to NHS for external pharmacy costs	9,303	-	-	9,303	-
Payments to NHS for paediatrician support	24,351	-	4,057	28,409	7,079
CQC subscription	709	-	1,224	1,933	1,933
Share of hospice running costs	30,008	-	31,605	61,613	40,393
Share of hospice depreciation	31,404	124,859	34,201	190,464	189,006
Share of support and governance costs	259,556	-	178,822	438,378	428,676
	847,917	124,859	462,374	1,435,150	1,280,888

	2021 Restricted £	2021 Endowment £	2021 Unrestricted £	2021 Total £
Staff and recruitment costs	494,986	-	93,848	588,834
Other direct costs	22,189	-	2,778	24,967
Payments to NHS for external nursing costs	-	-	-	-
Payments to NHS for paediatrician support	5,291	-	1,788	7,079
Patients Christmas party	-	-	-	-
CQC subscription	1,445	-	488	1,933
Share of hospice running costs	22,593	-	17,800	40,393
Share of hospice depreciation	48,496	124,117	16,393	189,006
Share of support and governance costs	335,681	-	92,995	428,676
	930,681	124,117	226,090	1,280,888

6. SUPPORT AND GOVERNANCE COSTS

	2022 £	2021 £
Support costs		
Staff and recruitment costs	297,409	297,575
Office rent and utilities	18,390	18,208
Telephone, bank costs, printing and other costs	44,680	44,222
Travel costs	-	32
Consultancy	343	813
Insurance	21,930	20,055
Depreciation	12,360	18,075
	395,112	398,980
Governance costs		
Audit fee	16,823	5,420
Legal costs (see note 1c)	145,037	140,994
Trustee expenses	998	667
	162,858	147,081
Total support and governance costs	537,970	546,061
Reallocated to raising funds	119,592	117,396
Reallocated to charitable activities	438,378	428,665
	537,970	546,061

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.

7. NET INCOME

Net income is stated after charging:

	2022	2021
	£	£
Depreciation – owned assets	211,777	215,965
Auditors remuneration	16,823	5,420
Auditors other fees	-	-

8. TRUSTEES' REMUNERATION AND BENEFITS

Apart from as set out below, there were no Trustees' remuneration or other benefits for the year ended 31st March 2022 nor for the year ended 31st March 2021. Trustees' expenses paid for the year ended 31st March 2022 were £998 (2021: £667) paid to two Trustees (2021: one 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 Dr Fiona Devine as CEO. Her total remuneration for the year to 31st March 2022 amounted to £69,477 (2021: £69,513). Employer National insurance costs on this amounted to £8,368 (2021: £8,380) and pension costs to £2,084 (2021: £2,085).

The Connor Consultancy Ltd, a company of which one of our Trustees (Fraser Silvey) is a Director, gave the charity £1,650 during the year in exchange for tickets to the annual ball.

Other than this there are no other related party transactions other than those disclosed above.

9. HOSPICE COSTS

	2022 £	2021 £
Utilities	31,533	23,116
Depreciation of buildings and equipment	199,417	197,891
Equipment maintenance	29,979	12,947
General running costs	2,998	6,230
	263,927	240,184
Reallocated to raising funds	11,850	10,785
Reallocated to charitable activities	252,077	229,399
	263,927	240,184

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

10. STAFF COSTS

	2022 £	2021 £
Wages and salaries		
Charitable activities	555,985	490,380
Fundraising activities	107,879	182,758
Support and governance	261,018	262,338
Total wages and salaries	924,882	935,476
Employer National Insurance	84,972	80,975
Travel and uniforms	16,603	12,319
Staff training	15,076	9,475
Pension costs	52,571	48,082
Recruitment fees	4,583	4,422
	1,098,687	1,090,749

There were 15 permanent full-time employees and 19 part time employees as at 31st March 2022, equal to 24.18 (2021: 25.34) full-time employees. The average number of full-time equivalent employees during the year was 26.07 (2021: 24.77).

No employee earned more than £60,000 per annum apart from Dr Devine as above. Remuneration for the four and half key management staff in the year was £218,673 (2021: five staff, £243,877). The personnel are listed on page 10.

Included in the above is £nil (2021 £35,350) in respect of redundancy costs during the year.

11. TANGIBLE FIXED ASSETS

	Land and Buildings £	Hospice Equipment £	Office Equipment £	Computer Equipment £	Total £
COST					
At 1st April 2021	7,009,292	342,936	1,562	72,443	7,426,233
Additions	-	17,913	-	17,168	35,081
As at 31st March 2022	7,009,292	360,849	1,562	89,611	7,461,314
DEPRECIATION					
At 1st April 2021	528,005	158,544	1,508	59,934	747,991
Charge for year	130,730	68,687	54	12,306	211,777
As at 31st March 2022	658,735	227,231	1,562	72,240	959,768
NET BOOK VALUE					
At 31st March 2022	6,350,557	133,618	-	17,371	6,501,546
At 31 st March 2021	6,481,287	184,392	54	12,509	6,678,242

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022 £	2021 £
Prepayments	12,194	11,654
Other debtors	205,935	142,362
Floats	300	-
Gift aid outstanding	8,030	6,060
VAT due from HMRC	9,658	5,989
Interest receivable	338	852
	236,455	166,917

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£	£
Deferred Income		
At 1 st April 2021	117,440	5,540
Income deferred	66,086	113,100
Income released	(178,714)	(1,200)
At 31 st March 2022	4,812	117,440
Social security and other taxes	22,777	20,482
Provision for liabilities	60,000	-
Accruals	139,203	249,502
Pension payments due	9,232	7,936
	236,024	395,360

In respect of the legal case mentioned in note 1c an ongoing discussion has arisen in respect of amounts due to advisors. Trustees have offered a settlement of £60,000 and a provision for this amount has been included above.

14. COMMITMENTS UNDER OPERATING LEASES

At 31st March 2022, the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases as follows:

	2022	2021
	£	£
Expiry date:		
Within one year	7,000	7,000
Between two and five years	-	-
	7,000	7,000

15. CAPITAL COMMITMENTS

There were no capital commitments at 31st March 2022 (2021: £nil).

16. MOVEMENT IN FUNDS

	At 1 st April 2021 £	Net Movement in funds £	At 31 st March 2022 £
Unrestricted funds			
Designated	1,346,956	(45,846)	1,301,110
Free reserves	2,128,574	2,023,550	4,152,124
Restricted funds			
Restricted	101,809	227,567	329,376
Endowment fund	6,481,286	(130,729)	6,350,557
TOTAL FUNDS	10,058,625	2,074,542	12,133,167

	At 1 st April 2020 £	Net Movement in funds £	At 31 st March 2021 £
Unrestricted funds			
Designated	1,418,604	(71,648)	1,346,956
Free reserves	1,688,733	439,841	2,128,574
Restricted funds			
Restricted	134,725	(32,916)	101,809
Endowment fund	6,557,755	(76,469)	6,481,286
TOTAL FUNDS	9,799,817	258,808	10,058,625

The endowment fund represents the value of land donated on 28th 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.

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

FUND BALANCES AT 31ST MARCH 2022

	Unrestricted funds £	Restricted funds £	Endowment funds £	Total £
Tangible fixed assets	150,989	-	6,350,557	6,501,546
Current assets	5,538,269	329,376	-	5,867,645
Creditors: amounts falling due within one year	(236,024)	-	-	(236,024)
TOTAL FUNDS AS AT 31st MARCH 2022	5,453,234	329,376	6,350,557	12,133,167

FUND BALANCES AT 31ST MARCH 2021

	Unrestricted funds £	Restricted funds £	Endowment funds £	Total £
Tangible fixed assets	196,956	-	6,481,286	6,678,242
Current assets	3,673,934	101,809	-	3,775,743
Creditors: amounts falling due within one year	(395,360)	-	-	(395,360)
TOTAL FUNDS AS AT 31st MARCH 2021	3,475,530	101,809	6,481,286	10,058,625

PURPOSE OF RESTRICTED FUNDS

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

	At 1 st April 2021 £	Incoming Resources £	Resources Expended £	Transfers £	At 31 st March 2022 £
Alexander's Nursing team	29,760	340,924	(109,129)	(3,565)	257,990
Local Clinical Commissioning	-	342,650	(284,650)	-	58,000
NHS palliative care funding	-	125,276	(125,276)	-	-
NHS England COVID funding	-	213,514	(213,514)	-	-
Play specialist	-	14,127	(14,127)	-	-
Additional nurse	63,485	27,000	(90,485)	-	-
Hospice gardens	-	5,500	-	-	5,500
Equipment	8,564	12,904	(10,736)	(2,846)	7,886
Total Restricted funds	101,809	1,081,895	(847,917)	(6,411)	329,376

	At 1 st April 2020 £	Incoming Resources £	Resources Expended £	Transfers £	At 31 st March 2021 £
Alexander's Nursing team	19,428	77,151	(66,819)	-	29,760
NHS palliative care funding	-	106,379	(106,379)	-	-
NHS England COVID funding	-	460,657	(460,657)	-	-
Play specialist	8,639	1,000	(9,639)	-	-
Additional nurse	60,746	185,452	(182,713)	-	63,485
Local Clinical Commissioning	-	100,158	(100,158)	-	-
Hospice gardens	37,375	-	-	(37,375)	-
Equipment	8,537	11,782	(4,555)	(7,200)	8,564
Total Restricted funds	134,725	942,579	(930,920)	(44,575)	101,809

The Alexander Nursing team fund arose from a number of donations, which 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.

Local Clinical Commissioning relates to payments from the local Clinical Commissioning Group to be spent on our clinical nurse specialists.

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

NHS England COVID funding is funding that was awarded to allow the hospice to make available bed capacity and community support from December 2021 to March 2022 to provide support to children with complex needs in the context of the COVID-19 situation.

Donations have also been received towards funding 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. Some of these are restricted to specific items.

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

17. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2022 £	2021 £
Net income for the reporting period (as per the statement of financial activities)	2,074,542	258,808
Adjustments for:		
Depreciation charges	211,777	215,965
Investing activities	(4,037)	(4,634)
(Increase)/decrease in stocks	(210)	577
(Increase) in debtors	(69,538)	(123,932)
)Decrease)/Increase in creditors	(159,336)	286,347
Net cash provided by operating activities	2,053,198	633,131

18. ANALYSIS OF NET CHANGES IN FUNDS

The charity had no debt during the year.

19. STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31ST MARCH 2021

	Notes	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2021 Total funds £	2020 Total funds £
INCOME from						
Donations and legacies	2	817,283	942,579	-	1,759,862	1,417,652
Trading activities	3	42,462	-	-	42,462	128,920
Other	1c	81,815	-	-	81,815	3,451
Investment		4,634	-	-	4,634	17,052
Total income		946,194	942,579	-	1,888,773	1,567,075
EXPENDITURE on						
Raising funds	4	343,003	239	5,835	349,077	468,781
Charitable activities	5	226,090	930,681	124,117	1,280,888	967,385
Total expenditure		569,093	930,920	129,952	1,629,965	1,436,166
NET INCOME BEFORE TRANSFERS		377,101	11,659	(129,952)	258,808	130,909
Transfers		(8,908)	(44,575)	53,483	-	-
Net movement in funds	16	368,193	(32,916)	(76,469)	258,808	130,909
RECONCILIATION OF FUNDS						
Total funds brought forward	16	3,107,337	134,725	6,557,755	9,799,817	9,668,908
TOTAL FUNDS CARRIED FORWARD	16	3,475,530	101,809	6,481,286	10,058,625	9,799,817

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.