

**HOPE HOUSE CHILDREN'S HOSPICES**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**CONSOLIDATED FINANCIAL STATEMENTS**

**for the year ended 31 December 2008**

**Charity number 1003859**

**Company number 2588103**

**RSM BENTLEY JENNISON**  
**CHARTERED ACCOUNTANTS**  
**AND REGISTERED AUDITORS**

**SATURDAY**



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COMPANIES HOUSE

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**HOPE HOUSE CHILDREN'S HOSPICES**

**A registered charity 1003859**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**for the year ended 31 December 2008**

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# HOPE HOUSE CHILDREN'S HOSPICES

A registered charity 1003859

## TRUSTEES' REPORT AND FINANCIAL STATEMENTS

for the year ended 31 December 2008

### REFERENCE AND ADMINISTRATIVE DETAILS

#### Trustees and directors

<b>Chair</b>	Barbara Evans MA, MBA	Local Government Officer
<b>Vice Chair</b>	Janette Welch	Training Manager
<b>Treasurer</b>	Philip Inch BSc FCMA	Financial Director
<b>Trustees</b>	Michael Mortimer Dr Peter Aston FRCGP, DCH Graham Morris (resigned 6th December 2008) Stephen Rogers Dafydd Wigley Dr Philip Minchom MB, ChB, FRCP, FRCPCH Prabhjit Kaur Chana Gwyn Bartley Meinir Wigley	Sales Manager Retired GP Company Director District Judge Company Director Medical Practitioner Training Consultant Solicitor Marketing Executive
<b>Secretary and Chief Executive Officer</b>	David Featherstone MBA	Chief Executive Officer
<b>Auditors</b>	RSM Bentley Jennison 3 Hollinswood Court Stafford Park 1 Shropshire Telford TF3 3DE	
<b>Bankers</b>	HSBC Bank plc The Cross Oswestry Shropshire SY11 2SR	
<b>Solicitors</b>	Howell Jones and Company 36 Station Road Llanrwst Sir Conwy LL26 0DA	
<b>Registered Office</b>	Nant Lane Morda Oswestry Shropshire SY10 9BX	

## HOPE HOUSE CHILDREN'S HOSPICES

### REPORT OF THE TRUSTEES

#### STRUCTURE, GOVERNANCE AND MANAGEMENT

The Trustees are pleased to present their report together with the financial statements of the charity for the year ended 31st December 2008.

Hope House Children's Hospices is a registered charity, number 1003859 and is a company limited by guarantee, incorporated under the Companies Act 1985, number 2588103. The Directors of the charitable company are its Trustees for the purpose of charity law, and throughout this report are collectively referred to as the Trustees.

The organisation is governed by its Memorandum and Articles of Association, and these vest the management of the company in the Council. The Trustees making up the Council are drawn from the community served by the organisation. The Trustees have no pecuniary interest in the company and give their services voluntarily. The Trustees of the organisation are set out on the previous page, and have served throughout the period unless otherwise stated.

In accordance with the constitution, the Trustees retire by rotation on a three year rolling basis. At the 2009 Annual General Meeting the following Trustees will retire, and being eligible, will offer themselves for re-election.

Barbara Evans  
Philip Inch  
Michael Mortimer

The Council members are elected by the subscribing Members of the Association of Hope House at the Annual General Meeting. The 2009 AGM will be held at Hope House on 23th September 2009.

The organisation has adopted the practice of advertising Trustee vacancies in the local press, indicating if any particular skills are required to strengthen the performance of the Board. People expressing an interest are interviewed by the Chair and Chief Executive Officer and given a detailed information pack outlining their legal obligations under charity and company law. They also receive information on the organisation and undergo a formal induction process with specific relevance to the work of the organisation.

The Specialist Sub Committee structure adopted by the Board continues to provide an efficient mechanism for discharging the Board's Corporate Governance responsibilities. The Sub Committees currently in place are:

Clinical Governance  
Fundraising  
Subsidiary companies (Trading and Lottery)  
Investments  
Senior Managers' Remuneration

In addition the Chair and Vice Chair meet regularly with the Senior Management Team to keep in touch with operational matters.

The charity's two wholly owned subsidiaries, Hope House (Trading) Ltd. and Hope House (Lottery) Ltd., were established to run the commercial activities of the organisation and both Gift Aid the majority of their profits to the charity. Hope House (Trading) Ltd was granted a ten year commercial lease in 2005 on an investment property in Crewe owned by the charity.

The Trustees examine the major risks that the organisation faces each financial year during a full day strategy meeting, when the strategic plan is updated and budgets are set. The organisation has developed systems to monitor and control the risks identified and mitigate any impact that they may have on the organisation's future. A key element is the management of financial risk by the setting of a reserves policy regularly reviewed by Trustees.

## HOPE HOUSE CHILDREN'S HOSPICES

### REPORT OF THE TRUSTEES (continued)

#### OBJECTIVES AND ACTIVITIES

Hope House and Tŷ Gobaith will strive to be centres of excellence for palliative care, serving families with children who are not expected to reach adult years.

The objectives and activities of the company are:

- 1 To provide life-limited children, young people and their families living in Cheshire, Shropshire, North and Mid Wales with a hospice based centre of excellence for emotional support, respite and terminal care.
- 2 To endeavour to provide care and support for families looking after life-limited children and young people by the provision of an Outreach Nursing Service.
- 3 To provide a comprehensive psychosocial support service staffed by appropriately trained and experienced staff.
- 4 To raise, by public subscription, sufficient funds each year to provide such care.
- 5 To conduct a continuing dialogue with local health providers regarding service provision to ensure the expertise of Hope House Children's Hospices can be used to effect a positive improvement in the quality of life of terminally-ill children, young people and their families.
- 6 To discuss with other providers deficiencies in service provision for terminally-ill children, young people and their families and determine what Hope House Children's Hospices can do to fulfil identified needs.
- 7 To ensure appropriate staff are provided to efficiently run the business of the Company and to empathetically and professionally provide care for life-limited children and their families.
- 8 To at all times comply with the requirements of the Charity Commissioners, Companies House and other Statutory Bodies regulating the conduct of charity business and the operation of children's hospices.
- 9 To ensure that all policies and procedures from time to time agreed by the Council of Management are implemented by the staff of the organisation.

#### ACHIEVEMENTS AND PERFORMANCE

##### Families receiving support

During the year Hope House Children's Hospices provided care and support for over 300 life-limited children and their families; with the usage by area of dwelling being:

	2008	2007	2006
Shropshire	29%	39%	31%
Cheshire	12%	9%	13%
Other areas of England	4%	3%	1%
North Wales	48%	36%	48%
Mid Wales	5.5%	11%	5%
Ceredigion (Dyfed)	1.5%	2%	2%

**NB:** "Other areas of England" include Stoke on Trent, South and North Staffordshire.

Some children's hospices are experiencing difficulty offering care 24/7 due to financial pressures and families have, consequently, turned to other providers when they need consistent residential respite care.

Nearly 30% of the beds at Hope House were utilised by Welsh children, who now receive 55% of the total care delivered by the organisation across the two countries.

## HOPE HOUSE CHILDREN'S HOSPICES

### REPORT OF THE TRUSTEES (continued)

#### Residential Care

Bed occupancy figures at both hospices were in excess of 80% but came under considerable strain as a result of a high incidence of staff sickness combining with vacancies to make effective rostering difficult on occasions. The Management Team, in consultation with the Board, have taken steps to expand resources to address this situation and to ensure the Outreach Service does not suffer as a result of pressures in the Hospices.

#### Community Support Services

In addition to the residential care provided at Hope House in Oswestry and Tŷ Gobaith in Conwy, the organisation is extensively involved in providing nursing care in the families' own homes, as well as psychosocial support. Such support may be individual or in specific groups; such as Building Bridges, the sibling support programme and support groups for bereaved parents. The demand to provide counselling to family members who have experienced, or will experience, the loss of a child continues to grow. The Board approved an expansion of the counselling team at the 2009 Strategy Meeting and recruitment began early in the year.

#### Volunteers

Members of the community surrounding the Hospices are a vital resource in providing support to the work of the paid staff. They also take a pivotal role in many other areas:

- Shops
- Counselling (with appropriate qualifications and supervision)
- Gardening
- Housekeeping
- Driving
- Support (Friends) Groups
- Office support duties
- Hairdressing
- Aromatherapy

The contribution made by our army of dedicated volunteers and the considerable hours worked cannot be overstated; not only do they support the paid staff but act as ambassadors for the organisation within their own communities.

#### FINANCIAL REVIEW

##### Fundraising activities

The Fundraising Team enjoyed a very successful year and increased new generated income by 25%. Much of this was due to the increase in legacies received, but this is not regarded as "windfall" income. Legacies have to be worked for in a very competitive market and a vigorous campaign bringing our service to the attention of Solicitors and Funeral Directors is conducted at all times.

Despite the effects of the economic downturn in the last quarter of the year the team managed to equal the outstanding donated income result achieved in 2007 of £2.3M. The continued enthusiasm and dedication of this team will be vital in securing similar levels of donations from the public during very difficult employment and economic difficulties anticipated in 2009/10.

##### Statutory income

The Welsh Assembly Government crystallised its support for hospices at the beginning of 2009 and the financial awards suggested by Baroness Finlay sought, in some measure, to address the glaring anomalies in contributions from Local Health Boards. Having always experienced a particularly low level of support from LHB's (under 5%) Hope House Children's Hospices fared very well and will in future receive an award of £175,000 p.a. direct from WAG.

## HOPE HOUSE CHILDREN'S HOSPICES

### REPORT OF THE TRUSTEES (continued)

#### Statutory income - continued

There is no guarantee support will continue at this level, but indications are that this will, in fact, be the case. The central government award, added to the LHB contributions brings the anticipated future total level of support from what is generically regarded as "Statutory Sources" to 13% of the costs incurred in Wales. Whilst this figure is a vast improvement on previous years it still means the organisation has to find 87p for every pound expended on the care of life-limited Welsh children and their families.

In England the financial support received from "Statutory Sources" in 2008 equated to around 24% of the costs incurred. The organisation enjoys a higher level of support from individual PCT's than it does from LHB's, and the Westminster Department of Health is also more generous in its central top-up contribution.

However, this central contribution is destined to disappear in 2011 and there is little indication PCT's will pick up the difference. Despite Government increasing the financial allocation to PCT's for palliative care and the provision of respite breaks for families, indications are that we shall experience a sharp decline in statutory income from England after 2011. It is likely, therefore, that after this point English and Welsh Statutory Sources will be contributing approximately the same support to children's hospices – about 13% of the total costs incurred.

#### Hope House (Trading) Ltd

The trading subsidiary performed particularly well during 2008 and exceeded the income target comfortably, contributing a net of £207,000 in addition to the management recharge to the company from the main charity of £50,000. The shops are expertly managed by an experienced area manager who has put together a robust team of shop managers skilled in maximising on retail opportunities despite challenging trading conditions. It is not axiomatic that in times of recession people turn to charity shops for bargains. Indeed, sourcing adequate stock becomes a problem as people hold on to their clothing for longer and are less inclined to move house and thus clear out the attic.

#### Hope House (Lottery) Ltd.

The Lottery maintained momentum during 2008 and was able to make a contribution to the charity of £77,784. Target income for 2009 will be similar to 2008 and no significant growth is expected during the economic downturn.

#### Investments

The Investment Portfolio is primarily managed by a Specialist Sub Committee of the Board, who make recommendations to the main Board on the placement of investments. In general terms the aim is to spread risk across several sectors as follows:-

Cash in UK registered current, deposit and overnight accounts. A decision is taken from time to time whether to be ultra cautious and limit exposure by limiting the amount in any one bank (and its subsidiaries).

Shares traded on the London Stock Exchange

Freehold and leasehold land.

Shares and other investments donated to the charity (after a full financial review of the investment at the next appropriate Investment Committee meeting )

Shares in subsidiary companies

Unit Trusts, open ended investment companies, trust companies and the like

Within the parameters outlined above the policy is that investments should broadly be within the following sectors

Up to 80% of all money in cash or cash based investments with leading banks.

Up to 35% in capital guarantee schemes with first class investment houses.

Up to 20% in commercial property

Up to 15% invested in equities (preferably FTSE 100 companies) or unit trusts, open ended investment companies or trust companies.

## HOPE HOUSE CHILDREN'S HOSPICES

### REPORT OF THE TRUSTEES (continued)

#### Investments - continued

Consideration is given – and professional advice taken where appropriate – whether certain of the investments should be the subject of a stop/loss policy.

Whilst a balanced portfolio, as outlined above, is the norm for most private and corporate investments, the Investment Committee is mindful of its key responsibility of keeping the finances of the charity as secure as possible. Equities can offer good returns for the extra risk involved, but they can also yield significant losses. As a result, the Committee approaches any equity investment with caution and will only proceed with the unanimous approval of all Committee members.

All investment proposals are presented to the main Board for a collective decision to be taken.

#### RESERVES POLICY

The Trustees are conscious that the organisation's income is susceptible to fluctuations in donations and legacies resulting from events beyond its control. The Board remains confident that the Management Team will be able to sustain an acceptable level of income from diverse sources during the current year. However, the gloomy economic outlook suggests caution with regard to capital developments. Consequently Trustees decided to place £1.75M of current reserves into a Designated Fund to finance planned capital developments, but to defer a decision on these developments until the economic outlook becomes clearer. At Hope House a purpose-built counselling centre is desperately needed – as are additional car parking spaces. At Ty Gobaith additional facilities for young adults are required. Both developments will be reconsidered at the 2009/10 strategy meeting.

The Trustees, whilst conscious that the Hospices must operate with an appropriately skilled workforce, are also aware of their responsibilities to their employees. Funds are therefore designated to a Workforce Management Fund, to accommodate the cost of managing staff, and equipping them to carry out their role more effectively. Payments from this fund are only considered in cases where benefit to both the employee and the organisation can be demonstrated. The Trustees are persuaded that this arrangement allows the organisation to discharge its moral obligation to people who may not be able to maintain the high standards of service delivery expected by the organisation due to circumstances beyond their control. During 2008 no payments were made from the fund.

Taking account of the above factors, the Trustees feel that it is prudent to maintain a level of free unrestricted reserves that enable the organisation to:

- Cover provision of care, fundraising and administration for a full operational year. In the coming twelve months this sum equates to £4 million.
- Provide a pool of funds equal to 10% of the preceding year's charitable expenditure from which funds can be designated to specific palliative care projects.

Unrestricted reserves at the year end amounted to £10 million, but because reserves are used to fund fixed assets and medium term investments (which generate income for the organisation), the free reserves amounted to £6 million (£4million undesignated).

#### Plans for 2008 – did they happen?

*In view of the stable fundraising climate and healthy reserves the organisation will modestly expand its outreach service provision during 2008 to fulfil some of the identified demand*

The Outreach service was successfully expanded to great effect.

*The organisation will continue to contribute to the National Strategic Funding Review in England, and the Palliative Care Funding Review in Wales.*

The outcomes to these reviews resulted in a continued flow of central funds which will support the work of the Hospices



## HOPE HOUSE CHILDREN'S HOSPICES

### REPORT OF THE TRUSTEES (continued)

#### Plans for 2008 – did they happen?

*The Trading Company will renew efforts to expand into new locations and new types of trading*

A new shop was opened in Wellington and many fresh opportunities to increase turnover were taken. 2008 was the most successful year the Trading Company has experienced. Christmas cards were a special area of success with sales up 15% on the previous year.

*The Lottery will continue to explore new marketing opportunities being careful not to antagonise members of the public who already donate generously.*

Regular Lottery players increased slightly during the year and single play tickets and scratchcards were successfully introduced. The Volunteer Lottery Manager unfortunately had to terminate his involvement in the enterprise due to the pressure of other business commitments. The Lottery function has been returned to the Line Management of the Director of Fundraising, where it has a natural symmetry with other fundraising activities.

*The Fundraising Team will continue to explore new income streams including the corporate sector.*

The new Director of Fundraising (appointed February 2008) has had a positive impact on the organisation of the Department and income generation throughout the year was very successful, despite the economic downturn experienced in the last quarter. Corporate support is expected to decline significantly during 2009 and the first signs of cutbacks in this area were noticed at the end of 2008.

#### Plans for Future Periods - Objectives for 2009

The significant objectives set down by the Trustees for 2009 are:

To improve bed occupancy rates to 90% plus by strengthening the care team.

To improve the counselling service by the recruitment of additional staff

To appoint a care database administrator to facilitate the timely production of activity statistics for statutory bodies and to improve the ability of the organisation to judge effectiveness of service delivery.

To introduce new streams of fundraising activity by setting up Tribute Funds and increasing the effort to interest schools in supporting the organisation.

#### Trustee's Responsibilities in relation to the financial statements

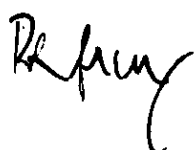
Law applicable to charities in England and Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and the group and the incoming resources and application of resources, including the net income or expenditure, of the group for the year. In preparing those financial statements, the Trustees are required to:

- Select suitable accounting policies and apply them consistently.
- Make judgements and estimates that are reasonable and prudent.
- Prepare the financial statements on a going concern basis unless it is inappropriate to presume that the company will continue in business

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and the group and which enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

By Order of the Board

Mr Philip Inch BSc FCMA  
Treasurer



Date: 5th May 2009

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

### HOPE HOUSE CHILDREN'S HOSPICES

We have audited the financial statements of Hope House Children's Hospices for the year ended 31 December 2008 set out on pages 9 to 25. These financial statements have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and the accounting policies set out on pages 15 and 16.

This report is made solely to the charity's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the charity's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

#### RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

As described in the Statement of Trustees' Responsibilities the Trustees, who are also the directors of Hope House Children's Hospices for the purposes of company law, are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Trustees' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read other information contained in the Trustees Annual Report and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

#### BASIS OF OPINION

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charity's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

#### OPINION

In our opinion:

the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice of the state of the charity's and group's affairs at 31 December 2008, and of their incoming resources and application of resources, including their income and expenditure, in the year then ended;

the financial statements have been properly prepared in accordance with the Companies Act 1985; and

the information given in the Trustees' Annual Report is consistent with the financial statements.

RSM Bentley Jennison  
Chartered Accountants  
and Registered Auditors

13 May 2009



3 Hollinswood Court  
Stafford Park 1  
Telford  
Shropshire TF3 3DE

**HOPE HOUSE CHILDREN'S HOSPICES**  
**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES**  
for the year ended 31 December 2008

	Note	Unrestricted Funds General Funds £	Designated Funds £	Restricted Funds £	Total 2008 £	Total 2007 £
<b>INCOMING RESOURCES</b>						
<b>Incoming resources from generated funds:</b>						
Voluntary income	4	3,942,597	-	-	3,942,597	2,901,247
Activities for generating funds						
- incoming resources from trading activities	3	1,449,686	-	-	1,449,686	1,305,406
Investment Income	5	180,389	-	-	180,389	137,499
<b>Incoming resources from charitable activities</b>	6	64,109	-	418,732	482,841	647,668
<b>TOTAL INCOMING RESOURCES</b>		<u>5,636,781</u>	<u>-</u>	<u>418,732</u>	<u>6,055,513</u>	<u>4,991,820</u>
<b>RESOURCES EXPENDED</b>						
<b>Costs of generating funds</b>						
Costs of generating voluntary income						
Fundraising trading						
- appeals department	7	552,345	-	-	552,345	584,854
- trading activities	3	1,106,042	-	-	1,106,042	973,693
<b>Charitable activities</b>						
- cost of activities in furtherance of the charity's objects	7	3,063,989	-	418,732	3,482,721	3,219,126
<b>Governance costs</b>						
- management and administration	8	40,670	-	-	40,670	40,343
<b>Other resources expended</b>						
Taxation	11	234	-	-	234	-
<b>TOTAL RESOURCES EXPENDED</b>		<u>4,763,280</u>	<u>-</u>	<u>418,732</u>	<u>5,182,012</u>	<u>4,818,016</u>
<b>NET INCOMING RESOURCES BEFORE TRANSFERS</b>		873,501	-	-	873,501	173,804
<b>GROSS TRANSFERS BETWEEN FUNDS</b>	19	(763,806)	763,806		-	-
<b>NET INCOMING RESOURCES BEFORE OTHER RECOGNISED GAINS AND LOSSES</b>		109,695	763,806	-	873,501	173,804
<b>OTHER RECOGNISED GAINS AND LOSSES</b>						
Gains/(losses) on investment assets	10	(14,698)	-	-	(14,698)	(84,542)
<b>NET MOVEMENTS IN FUNDS</b>		<u>94,997</u>	<u>763,806</u>	<u>-</u>	<u>858,803</u>	<u>89,262</u>
<b>RECONCILIATION OF FUNDS</b>						
Total Funds brought forward		8,245,859	1,236,194	-	9,482,053	9,392,791
<b>TOTAL FUNDS CARRIED FORWARD</b>	19	<u>8,340,856</u>	<u>2,000,000</u>	<u>-</u>	<u>10,340,856</u>	<u>9,482,053</u>

The group's income and expenses all relate to continuing operations. There are no recognised gains or losses other than those disclosed in the statement of financial activities.

**HOPE HOUSE CHILDREN'S HOSPICES**  
**STATEMENT OF FINANCIAL ACTIVITIES**  
for the year ended 31 December 2008

	Note	Unrestricted Funds General Funds £	Designated Funds £	Restricted Funds £	Total 2008 £	Total 2007 £
<b>INCOMING RESOURCES</b>						
Incoming resources from generated funds:						
Voluntary income	4	3,942,597	-	-	3,942,597	2,901,247
Investment Income	5	188,929	-	-	188,929	141,927
Income from subsidiaries	4	334,870	-	-	334,870	327,285
Incoming resources from charitable activities	6	64,109	-	418,732	482,841	647,668
<b>TOTAL INCOMING RESOURCES</b>		<b>4,530,505</b>	<b>-</b>	<b>418,732</b>	<b>4,949,237</b>	<b>4,018,127</b>
<b>RESOURCES EXPENDED</b>						
Costs of generating funds						
Costs of generating voluntary income						
Fundraising trading: other costs	7	552,345	-	-	552,345	584,854
Charitable activities						
- cost of activities in furtherance of the charity's objects	7	3,063,989	-	418,732	3,482,721	3,219,126
Governance costs						
- management and administration	8	40,670	-	-	40,670	40,343
<b>TOTAL RESOURCES EXPENDED</b>		<b>3,657,004</b>	<b>-</b>	<b>418,732</b>	<b>4,075,736</b>	<b>3,844,323</b>
<b>NET INCOMING RESOURCES BEFORE TRANSFERS</b>		<b>873,501</b>	<b>-</b>	<b>-</b>	<b>873,501</b>	<b>173,804</b>
<b>GROSS TRANSFERS BETWEEN FUNDS</b>	19	<b>(763,806)</b>	<b>763,806</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET INCOMING RESOURCES BEFORE OTHER RECOGNISED GAINS AND LOSSES</b>		<b>109,695</b>	<b>763,806</b>	<b>-</b>	<b>873,501</b>	<b>173,804</b>
<b>OTHER RECOGNISED GAINS AND LOSSES</b>						
Gains/(losses) on investment assets	14	(14,698)	-	-	(14,698)	(84,542)
<b>NET MOVEMENTS IN FUNDS</b>		<b>94,997</b>	<b>763,806</b>	<b>-</b>	<b>858,803</b>	<b>89,262</b>
<b>RECONCILIATION OF FUNDS</b>						
Total Funds brought forward		8,225,944	1,236,194	-	9,462,138	9,372,876
<b>TOTAL FUNDS CARRIED FORWARD</b>	19	<b>8,320,941</b>	<b>2,000,000</b>	<b>-</b>	<b>10,320,941</b>	<b>9,462,138</b>

The charity's income and expenses all relate to continuing operations. There are no recognised gains or losses other than those disclosed in the statement of financial activities.

**HOPE HOUSE CHILDREN'S HOSPICES**  
**CONSOLIDATED SUMMARY OF INCOME AND EXPENDITURE ACCOUNT**  
**for the year ended 31 December 2008**

	<b>Total Funds</b>	
	<b>2008</b>	<b>2007</b>
	<b>£</b>	<b>£</b>
Gross income of continuing operations	6,055,513	4,991,820
Total expenditure of continuing operations	<u>(5,182,246)</u>	<u>(4,818,016)</u>
<b>Surplus on continuing operations for the year before taxation and transfers</b>	<u>873,267</u>	<u>173,804</u>
(Loss) on the revaluation of investments	(14,698)	(84,542)
Taxation	(234)	-
	<u><u>858,803</u></u>	<u><u>89,262</u></u>

- Gross income from continuing activities is derived from £5,636,781 unrestricted funds and £418,732 restricted funds.

- Of total expenditure, £4,763,514 relates to unrestricted funds and £418,732 relates to restricted funds.

- The net surplus for the year before taxation and transfers consists of £873,267 unrestricted funds.

The summary income and expenditure account is derived from the Consolidated Statement of Financial Activities on page 9 which, together with the notes on pages 15 to 25, provides full information on the movements during the year on all funds of the charitable company.

## HOPE HOUSE CHILDREN'S HOSPICES

## GROUP BALANCE SHEET

at 31 December 2008

		2008		2007	
	Notes	£	£	£	£
FIXED ASSETS					
Tangible assets	12	4,462,813		4,391,739	
Investments	14	<u>5,235,511</u>		<u>3,282,919</u>	
TOTAL FIXED ASSETS			9,698,324		7,674,658
CURRENT ASSETS					
Stock	15	23,557		17,175	
Debtors	16	90,489		79,068	
Cash at bank and in hand		<u>656,433</u>		<u>1,822,786</u>	
TOTAL CURRENT ASSETS		770,479		1,919,029	
LIABILITIES					
Creditors: Amounts falling due within one year	17	<u>(127,947)</u>		<u>(111,634)</u>	
NET CURRENT ASSETS			642,532		1,807,395
NET ASSETS			<u>10,340,856</u>		<u>9,482,053</u>
THE FUNDS OF THE CHARITY:					
Restricted funds	19		-		-
Unrestricted funds					
General funds	19		8,320,941		8,225,944
Designated funds	19		2,000,000		1,236,194
Non-charitable trading funds	19		<u>19,915</u>		<u>19,915</u>
TOTAL UNRESTRICTED FUNDS			<u>10,340,856</u>		<u>9,482,053</u>
TOTAL CHARITY FUNDS			<u>10,340,856</u>		<u>9,482,053</u>

Approved by the board on

15<sup>th</sup> April 2009

and signed on its behalf by:-

Mr Philip Inch BSc FCMA


 Treasurer

The notes on pages 15 to 25 form part of these accounts

## HOPE HOUSE CHILDREN'S HOSPICES

## BALANCE SHEET

at 31 December 2008

	Notes	2008		2007	
		£	£	£	£
<b>FIXED ASSETS</b>					
Tangible assets	13	4,337,781		4,300,951	
Investments	14	<u>5,235,515</u>		<u>3,282,923</u>	
<b>TOTAL FIXED ASSETS</b>			9,573,296		7,583,874
<b>CURRENT ASSETS</b>					
Stock	15	-		-	
Debtors	16	392,745		375,106	
Cash at bank and in hand		<u>425,835</u>		<u>1,561,531</u>	
<b>TOTAL CURRENT ASSETS</b>		818,580		1,936,637	
<b>LIABILITIES</b>					
Creditors: Amounts falling due within one year	17	<u>(70,935)</u>		<u>(58,373)</u>	
<b>NET CURRENT ASSETS</b>			747,645		1,878,264
<b>NET ASSETS</b>			<u>10,320,941</u>		<u>9,462,138</u>
<b>THE FUNDS OF THE CHARITY:</b>					
Restricted funds	19	-		-	
Unrestricted funds					
General funds	19	8,320,941		8,225,944	
Designated funds	19	<u>2,000,000</u>		<u>1,236,194</u>	
<b>TOTAL UNRESTRICTED FUNDS</b>		10,320,941		9,462,138	
<b>TOTAL CHARITY FUNDS</b>		<u>10,320,941</u>		<u>9,462,138</u>	

Approved by the board on

15th April 2009

and signed on its behalf by:-

Mr Philip Inch BSc FCMA

Treasurer

The notes on pages 15 to 25 form part of these accounts.

**HOPE HOUSE CHILDREN'S HOSPICES**  
**CONSOLIDATED CASHFLOW STATEMENT**  
**for the year ended 31 December 2008**

	2008	2007
	£	£
Net cash inflow from operating activities	913,313	744,198
Returns on investment:		
Interest received	180,389	137,499
Taxation	-	-
Capital expenditure and financial investment:		
Purchase of property, plant and equipment	(386,579)	(174,091)
Proceeds from sale of fixed assets	-	-
	(386,579)	
Financing of investments		
Purchase of new investments	(2,500,000)	(400,000)
Proceeds from sale of investments	626,524	-
	(1,873,476)	-
(Decrease) / Increase in cash	(1,166,353)	307,606
Cash at bank and in hand at 1 January 2008	1,822,786	1,515,180
Cash at bank and in hand at 31 December 2008	656,433	1,822,786
<b>Reconciliation of operating surplus to operating cashflow:</b>		
Net incoming resources (before revaluation gains/losses)	873,501	173,804
Less: investment income	(180,389)	(137,499)
Operating surplus/(deficit)	693,112	36,305
Donated investments	(93,814)	(13,125)
Depreciation and loss on disposals	315,505	247,388
(Increase)/Decrease in stocks	(6,382)	(8,465)
(Increase)/Decrease in debtors	(11,421)	488,965
(Decrease)/Increase in creditors	16,313	(6,870)
	913,313	744,198

The notes on pages 15 to 25 form part of these accounts.



**HOPE HOUSE CHILDREN'S HOSPICES**  
**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS**  
**for the year ended 31 December 2008**

## **1 ACCOUNTING POLICIES**

### **Basis of accounting**

The financial statements have been prepared in accordance with applicable accounting standards and The Statement of Recommended Practice, Reporting and Accounting by Charities, (SORP 2005) and under the historical cost convention as modified by the revaluation of listed fixed asset investments.

### **Basis of consolidation**

The consolidated financial statements consolidate the financial statements of the Hospice and its subsidiaries Hope House (Trading) Limited, and Hope House (Lottery) Limited. Intra-group trading is eliminated on consolidation. No separate summary income and expenditure account is presented for the parent undertaking, as provided by section 230 of the Companies Act 1985.

### **Fund accounting**

Funds held by the charity fall into one of the following categories:

- Unrestricted general funds      these are funds which can be used in accordance with the charitable objects at the discretion of the trustees
- Designated funds                these are funds set aside by the trustees out of unrestricted general funds for specific purposes or projects
- Restricted funds                  these are funds that 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 a particular restricted purpose.

### **Income and donations**

Donations, bequests, grants and similar incoming resources are included in full in the Statement of Financial Activities when receivable. Other income is accounted for on an accruals basis as far as it is prudent to do so. Income includes income tax recovered and recoverable.

Income from the sale of donated goods in the group's retail outlets is recognised at their sales value, when the goods are sold.

Donated services and facilities are included at the value to the charity where this can be quantified. The value of services provided by volunteers has not been included in these accounts.

### **Allocation of expenditure**

Expenditure is allocated between cost headings on the following basis:

- a      Expenditure wholly incurred on activities falling within each category is charged direct.
- b      Expenditure involving more than one category is apportioned in accordance with reasonable estimates.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of the charity.

**HOPE HOUSE CHILDREN'S HOSPICES**  
**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS**  
**for the year ended 31 December 2008**

**1 ACCOUNTING POLICIES (CONTINUED)**

**Depreciation**

Depreciation is provided on the cost of fixed assets in order to write them down to their estimated realisable value over their estimated useful life as follows:

Freehold buildings	40 years straight line
Freehold land	Nil
Plant and machinery	25% reducing balance
Motor vehicles	25% reducing balance

The company operates a capitalisation policy whereby only assets with a cost exceeding £500 are capitalised, assets purchased with a cost less than £500 are written off as a charge in the income and expenditure account.

**Stock**

Stocks are stated at the lower of cost and net realisable value.

**Investments**

Listed investments are valued at market value as at the balance sheet date less any permanent diminution. Gains and losses on disposal and revaluation of investments are charged or credited to the Statement Of Financial Activities.

**Operating leases**

Operating lease commitments are charged to the profit and loss account on a straight line basis, over the lease term.

**Pension**

The company pays contributions to the NHS pension scheme and to personal pension plans for employees. The annual contributions payable are charged to the profit and loss account.

**2 STATUS OF THE COMPANY**

Hope House Children's Hospices is registered under the Companies Act 1985 and is limited by guarantee. The liability of each of each member is limited to a maximum of £1. It is a registered charity and its registration number is 1003859.

**HOPE HOUSE CHILDREN'S HOSPICES**  
**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS**  
**for the year ended 31 December 2008**

**3 TRADING ACTIVITIES OF THE SUBSIDIARIES**

Hope House (Trading) Limited is a wholly owned subsidiary of the charity which sells new and donated goods in support of the Hospice. Hope House (Lottery) Limited is a wholly owned subsidiary of the charity which operates a weekly lottery and is registered with the Gambling Commission.

The companies donate their taxable profits under Gift Aid to the charity .

**Profit and loss accounts:**

	<b>Hope House (Lottery) Limited</b>		<b>Hope House (Trading) Limited</b>	
	<b>2008</b>	<b>2007</b>	<b>2008</b>	<b>2007</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Turnover	185,465	177,509	1,260,694	1,126,137
Cost of Sales	(66,387)	(65,000)	(57,948)	(59,828)
	<u>119,078</u>	<u>112,509</u>	<u>1,202,746</u>	<u>1,066,309</u>
Administrative expenses	(42,281)	(39,326)	(939,426)	(809,539)
Management charges paid to the charity	-	-	(50,000)	(50,000)
	<u>76,797</u>	<u>73,183</u>	<u>213,320</u>	<u>206,770</u>
Operating profit	76,797	73,183	213,320	206,770
Rent receivable	-	-	3,527	1,760
Interest receivable	3,022	3,733	-	4,250
Interest payable to the charity	(2,035)	(2,243)	(9,527)	(10,169)
	<u>77,784</u>	<u>74,673</u>	<u>207,320</u>	<u>202,611</u>
Net profit	77,784	74,673	207,320	202,611
Donation under gift aid to the charity	(77,784)	(74,673)	(207,086)	(202,611)
Taxation	-	-	(234)	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Retained in subsidiary	-	-	-	-

**The assets and liabilities of the subsidiaries were:**

	<b>Hope House (Lottery) Limited</b>		<b>Hope House (Trading) Limited</b>	
	<b>2008</b>	<b>2007</b>	<b>2008</b>	<b>2007</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Tangible fixed assets	296	392	124,737	90,397
Current assets	132,637	128,146	203,973	193,939
Creditors: Amounts falling due within one year	(128,012)	(123,617)	(313,712)	(269,338)
	<u>4,625</u>	<u>4,529</u>	<u>(109,739)</u>	<u>(75,399)</u>
Net current assets/(liabilities)	4,625	4,529	(109,739)	(75,399)
	<u>4,921</u>	<u>4,921</u>	<u>14,998</u>	<u>14,998</u>
Net assets/(liabilities)	4,921	4,921	14,998	14,998
Share capital	2	2	2	2
Reserves	4,919	4,919	14,996	14,996
	<u>4,921</u>	<u>4,921</u>	<u>14,998</u>	<u>14,998</u>

**HOPE HOUSE CHILDREN'S HOSPICES**  
**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS**  
**for the year ended 31 December 2008**

**4 INCOMING RESOURCES FROM GENERATED FUNDS**

<b>Voluntary income</b>	<b>Unrestricted £</b>	<b>Restricted £</b>	<b>Total 2008 £</b>	<b>Total 2007 £</b>
Donations	2,325,760	-	2,325,760	2,318,342
Donated assets	93,814	-	93,814	13,125
Tax recovered - Gift Aid	45,286	-	45,286	47,692
Legacies	1,474,737	-	1,474,737	522,088
Other income	3,000	-	3,000	-
	<u>3,942,597</u>	<u>-</u>	<u>3,942,597</u>	<u>2,901,247</u>
<b>Income from subsidiaries</b>				
Donations from subsidiaries under Gift Aid			284,870	277,285
Management charges received from subsidiaries			50,000	50,000
			<u>334,870</u>	<u>327,285</u>

**5 INVESTMENT INCOME**

	<b>Group</b>		<b>Charity</b>	
	<b>2008 £</b>	<b>2007 £</b>	<b>2008 £</b>	<b>2007 £</b>
Interest on UK Government securities	50,895	82,087	50,895	82,087
Interest on bank deposits	126,472	47,429	126,472	47,429
Interest on bank deposits - subsidiaries	3,022	7,983	-	-
Interest received from subsidiaries	-	-	11,562	12,411
	<u>180,389</u>	<u>137,499</u>	<u>188,929</u>	<u>141,927</u>

**6 INCOMING RESOURCES FROM CHARITABLE ACTIVITIES**

<b>Income from statutory bodies:</b>	<b>Unrestricted £</b>	<b>Restricted £</b>	<b>Total 2008 £</b>	<b>Total 2007 £</b>
English PCT grants	15,000	40,000	55,000	90,809
English Department of Health grant towards pensions	-	31,296	31,296	30,458
Department of Health Hospice Initiative	-	297,330	297,330	297,330
Welsh LHB grants	49,109	-	49,109	47,775
Welsh Health Authority grants towards pensions	-	24,766	24,766	32,234
Welsh Assembly grant	-	25,340	25,340	149,062
	<u>64,109</u>	<u>418,732</u>	<u>482,841</u>	<u>647,668</u>

## HOPE HOUSE CHILDREN'S HOSPICES

## NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2008

## 7 TOTAL RESOURCES EXPENDED

	Activities undertaken directly	Grant funding	Support costs	2008 Total	2007 Total
	£	£	£	£	£
<b>Cost of generating funds</b>					
Cost of generating voluntary income					
Appeals department:					
Staff costs and overheads	298,497	-	103,551	402,048	434,507
Publicity materials	150,297	-	-	150,297	150,347
				<u>552,345</u>	<u>584,854</u>
Fundraising trading:					
Cost of goods sold	57,948	-	-	57,948	59,828
Operating expenses	981,707	-	-	981,707	848,865
Lottery prizes paid out	66,387	-	-	66,387	65,000
				<u>1,106,042</u>	<u>973,693</u>
<b>Charitable activities</b>					
Care of children and families	2,788,467	418,732	275,522	3,482,721	3,219,126
<b>Governance costs</b>	37,590	-	3,080	40,670	40,343
<b>Other resources expended</b>					
Taxation	234	-	-	234	-
	<u>4,381,127</u>	<u>418,732</u>	<u>382,153</u>	<u>5,182,012</u>	<u>4,818,016</u>

## 8 SUPPORT COSTS ALLOCATION

	Finance & legal	Office management	Direct Support costs	2008 Total	2007 Total
	£	£	£	£	£
<b>Cost of generating funds</b>					
Cost of generating voluntary income					
Appeals department:					
Staff costs and overheads	-	25,733	77,818	103,551	108,608
Publicity materials	-	-	-	-	-
Fundraising trading:					
Cost of goods sold	-	-	-	-	-
Operating expenses	-	-	-	-	-
Lottery prizes paid out	-	-	-	-	-
Investment management fees	-	-	-	-	-
<b>Charitable activities</b>					
Care of children and families	-	254,257	21,265	275,522	161,718
<b>Governance costs</b>	3,080	-	-	3,080	2,312
<b>Other resources expended</b>					
Taxation	-	-	-	-	-
	<u>3,080</u>	<u>279,990</u>	<u>99,083</u>	<u>382,153</u>	<u>272,638</u>

**HOPE HOUSE CHILDREN'S HOSPICES**  
**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS**  
**for the year ended 31 December 2008**

**Governance costs are made up of the following:**

	<b>2008</b>	<b>2007</b>
		£
Officers' costs - apportionment	27,596	23,278
Trustees' indemnity insurance	1,064	- 1,168
Audit fees - audit services	6,430	6,500
Audit fees - non audit services	2,500	2,500
Finance and Legal fees	3,080	2,035
Recruitment	-	4,585
Overhead expenses	-	277
	<u>40,670</u>	<u>40,343</u>

No trustee received any remuneration or expenses.

**9 STAFF COSTS**

	<b>2008</b>	<b>2007</b>
	£	£
Wages and salaries	3,150,293	3,005,969
Social security costs	255,916	240,498
Pension costs	176,495	173,583
	<u>3,582,704</u>	<u>3,420,050</u>

	<b>2008</b>	<b>2007</b>
	no	no
The average number of employees, analysed by function, was:		
Hospice services	95	93
Fundraising and publicity	13	13
Support	11	11
	<u>119</u>	<u>117</u>
Employed by the charity	28	28
Employed by non-charitable trading subsidiaries		
	<u>147</u>	<u>145</u>

Numbers of staff to whom retirement benefits are accruing:

Under money purchase schemes	46	46
Under NHS Pension scheme	38	33
	<u>84</u>	<u>79</u>

**HOPE HOUSE CHILDREN'S HOSPICES**  
**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS**  
**for the year ended 31 December 2008**

**10 NET INCOMING RESOURCES**

	2008 £	2007 £
Net incoming resources for the group are stated after charging:		
Depreciation	308,628	243,978
Loss on disposal of fixed assets	6,877	3,410
Directors' remuneration	-	-
Auditors' remuneration	8,930	9,000
Operating lease rentals: other	36,673	35,071

**OTHER RECOGNISED GAINS AND LOSSES**

Unrealised gains/(losses) on revaluation of investments	8,753	(84,542)
Realised losses on disposal of investments	(23,451)	-
	(14,698)	(84,542)

**11 TAXATION**

	2008 £	2007 £
UK Corporation Tax on profits for the year	-	-
Adjustments in respect of prior periods	234	-

There were no factors that affected the tax charge for the period which has been calculated on the profits on ordinary activities of the trading subsidiary, before tax at the standard rate of corporation tax in the UK.

There are no factors that may affect future tax charges.

**12 TANGIBLE FIXED ASSETS - GROUP**

	Freehold Land & Buildings	Investment Property	Plant Machinery Fixtures & Fittings	Motor vehicles	Total
	£	£	£	£	£
<b>Cost:</b>					
At 1 January 2008	4,488,225	281,684	1,148,306	55,005	5,973,220
Additions	1,949	-	384,630	-	386,579
Disposals	-	-	(87,506)	-	(87,506)
At 31 December 2008	4,490,174	281,684	1,445,430	55,005	6,272,293
<b>Depreciation:</b>					
At 1 January 2008	824,302	-	720,584	36,595	1,581,481
Charge for the year	100,871	-	203,155	4,602	308,628
Eliminated on disposals	-	-	(80,629)	-	(80,629)
At 31 December 2008	925,173	-	843,110	41,197	1,809,480
<b>Net book value:</b>					
At 31 December 2008	3,565,001	281,684	602,320	13,808	4,462,813
At 31 December 2007	3,663,923	281,684	427,722	18,410	4,391,739

**HOPE HOUSE CHILDREN'S HOSPICES**  
**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS**  
for the year ended 31 December 2008

**13 TANGIBLE FIXED ASSETS - HOSPICE**

	Freehold Land & Buildings	Investment Property	Plant Machinery Fixtures & Fittings	Motor vehicles	Total
	£	£	£	£	£
<b>Cost:</b>					
At 1 January 2008	4,488,225	281,684	892,896	55,005	5,717,810
Additions	1,949	-	308,620	-	310,569
Disposals	-	-	(87,506)	-	(87,506)
At 31 December 2008	<u>4,490,174</u>	<u>281,684</u>	<u>1,114,010</u>	<u>55,005</u>	<u>5,940,873</u>
<b>Depreciation:</b>					
At 1 January 2008	824,302	-	555,962	36,595	1,416,859
Charge for the year	100,871	-	161,389	4,602	266,862
Eliminated on disposals	-	-	(80,629)	-	(80,629)
At 31 December 2008	<u>925,173</u>	<u>-</u>	<u>636,722</u>	<u>41,197</u>	<u>1,603,092</u>
<b>Net book value:</b>					
At 31 December 2008	<u>3,565,001</u>	<u>281,684</u>	<u>477,288</u>	<u>13,808</u>	<u>4,337,781</u>
At 31 December 2007	<u>3,663,923</u>	<u>281,684</u>	<u>336,934</u>	<u>18,410</u>	<u>4,300,951</u>

The investment property relates to a shop in Crewe which is being rented by Hope House (Trading) Limited. During the year the Charity received an interest in a property in North Wales through a legacy which is subject to a life interest by a relative of the deceased. Therefore, the value of the property is not easily quantifiable and as such it has not been included in the value of fixed assets. Unencumbered probate value was £92,000.

**14 INVESTMENTS**

	Group		Company	
	£	Investment in subsidiaries	£	Total £
At 1 January 2008	3,282,919	4	3,282,919	3,282,923
Additions in the year	2,593,814	-	2,593,814	2,593,814
Disposals in the year	(649,975)	-	(649,975)	(649,975)
Revaluations in the year	8,753	-	8,753	8,753
At 31 December 2008	<u>5,235,511</u>	<u>4</u>	<u>5,235,511</u>	<u>5,235,515</u>
Historical cost	<u>5,214,865</u>	<u>4</u>	<u>5,214,865</u>	<u>5,214,869</u>

Investments are valued at market value at the balance sheet date. Investments held in Protected Plans are guaranteed to return at least the cost value providing they are held until maturity.

Investment in the subsidiaries represent 100% of the nominal value of the issued ordinary share capital of Hope House (Trading) Limited and Hope House (Lottery) Limited, both companies are incorporated in England and Wales.



**HOPE HOUSE CHILDREN'S HOSPICES**  
**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS**  
**for the year ended 31 December 2008**

**14 INVESTMENTS (CONTINUED)**

Assets comprising more than 5% of the fund total are:-	£	%
HSBC Treasury	2,500,000	47.8%
CAF Bristol & West	1,000,000	19.1%
Chase de Vere Protected Portfolio Plan	721,015	13.8%
Aria Global Property Tracker+	400,000	7.6%

**15 STOCKS**

	<b>Group</b>		<b>Company</b>	
	<b>2008</b>	<b>2007</b>	<b>2008</b>	<b>2007</b>
	£	£	£	£
Goods for resale	<u>23,557</u>	<u>17,175</u>	<u>-</u>	<u>-</u>

**16 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>Group</b>		<b>Company</b>	
	<b>2008</b>	<b>2007</b>	<b>2008</b>	<b>2007</b>
	£	£	£	£
Amounts due from Hope Hospice (Trading) Limited	-	-	266,613	262,780
Amounts due from Hope Hospice (Lottery) Limited	-	-	79,819	76,914
Prepayments	90,489	79,068	46,313	35,412
	<u>90,489</u>	<u>79,068</u>	<u>392,745</u>	<u>375,106</u>

**17 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>Group</b>		<b>Company</b>	
	<b>2008</b>	<b>2007</b>	<b>2008</b>	<b>2007</b>
	£	£	£	£
Trade creditors	5,277	6,685	5,277	6,442
Accruals and deferred income	122,670	104,949	65,658	51,931
	<u>127,947</u>	<u>111,634</u>	<u>70,935</u>	<u>58,373</u>

**HOPE HOUSE CHILDREN'S HOSPICES**  
**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS**  
for the year ended 31 December 2008

**18 ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	Restricted Funds	Designated Funds	General Funds	Non Charitable Funds	Total Funds
	£	£	£	£	£
Tangible fixed assets	-	-	4,337,781	125,032	4,462,813
Investments	-	-	5,235,511	-	5,235,511
Cash at bank and in hand	-	2,000,000	(1,574,165)	230,598	656,433
Other net current assets/(liabilities)	-	-	321,814	(335,715)	(13,901)
	-	2,000,000	8,320,941	19,915	10,340,856

**19 MOVEMENT IN FUNDS**

	At 1 January 2008	Incoming resources	Outgoing resources	Transfers	At 31 December 2008
	£	£	£	£	£
<b>Restricted funds</b>					
English PCT grant	-	40,000	(40,000)	-	-
English Department of Health grant towards pensio	-	31,296	(31,296)	-	-
Department of Health Hospice Initiative	-	297,330	(297,330)	-	-
Welsh Assembly grant towards pensions	-	24,766	(24,766)	-	-
Welsh Assembly grant	-	25,340	(25,340)	-	-
<b>Total restricted funds</b>	-	418,732	(418,732)	-	-
<b>Unrestricted funds</b>					
Designated workforce management fund	236,194	-	-	13,806	250,000
Designated capital development fund	1,000,000	-	-	750,000	1,750,000
	1,236,194	-	-	763,806	2,000,000
General funds	8,225,944	4,184,073	(3,325,270)	(763,806)	8,320,941
Non charitable trading funds	19,915	1,452,708	(1,452,708)	-	19,915
<b>Total unrestricted funds</b>	9,482,053	5,636,781	(4,777,978)	-	10,340,856

**20 RESTRICTED FUNDS**

The Welsh Assembly awarded the Hospice a grant in 2008 to fund the provision of community care nurses in Wales and one towards the pension costs of care staff.

The English Department of Health awarded a grant in 2008 towards the pension costs of care staff.

The Department of Health awarded the Hospice a grant in 2008 to fund care for children in England.

The English PCT awarded the Hospice a grant in 2008 to fund care for children in England.

**HOPE HOUSE CHILDREN'S HOSPICES**  
**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS**

**for the year ended 31 December 2008**

**21 DESIGNATED FUNDS**

The Trustees, whilst conscious that the Hospices must operate with an appropriately skilled workforce, are also aware of their responsibilities to their employees. Funds are therefore designated to a Workforce Management Fund, to accommodate the cost of managing staff, and equipping them to carry out their role more effectively. Payment from this fund is only considered in cases where benefit to both the employee and the organisation can be demonstrated. The Trustees are persuaded that this arrangement allows the organisation to discharge its moral obligation to people who may not be able to maintain the high standards of service delivery expected by the organisation due to circumstances beyond their control.

**22 PENSIONS**

The charity makes contributions to certain pension schemes for its employees. One of the schemes, for eligible employees, is the NHS Pension Scheme. The level of contributions is determined annually by the NHS Pensions Agency and the charity has no further liability beyond the contributions determined. Other schemes to which employer contributions are made are money purchase schemes.

**23 POST BALANCE SHEET EVENTS**

There have been no events since the year end that require disclosure within the financial statements.

**24 RELATED PARTY TRANSACTIONS**

The subsidiary companies, Hope House (Trading) Limited and Hope House (Lottery) Limited, donate their profits to the charity under Gift Aid. The payment for 2008 was £207,086 (2007: £202,611) for Hope House (Trading) Limited and £77,784 (2007: £74,673) for Hope House (Lottery) Limited.

Certain employees of the charity spend a significant proportion of their time involved in the activities of the companies. Accordingly, the companies pay a charge to the charity to cover the cost of the time so spent. The charge for 2008 was £50,000 (2007: £50,000).

At the balance sheet date, Hope House (Trading) Limited owed the charity £266,613 (2007: £262,780). Interest is charged on the balance outstanding, in accordance with the loan agreement dated 1 June 1999, which also contains a provision for security. The charge for the year was £9,527 (2007: £10,169).

At the balance sheet date, Hope House (Lottery) Limited owed the charity £79,819 (2007: £76,914) and the charity owed the company £2. No interest has been charged on this amount outstanding.

**25 CAPITAL COMMITMENTS**

There were no capital commitments contracted for at the year end.

There were no capital commitments authorised but not contracted for at the year end.

**26 OPERATING LEASE COMMITMENTS**

At 31 December 2008, the group had annual commitments under non-cancellable operating leases as follows:

Expiry Date:	Group		Company	
	2008	2007	2008	2007
	£	£	£	£
Within one year	8,819	4,998	8,819	2,256
Between two and five years	137,539	115,505	96,677	99,102
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>