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

for the year ended 31 December 2011

Charlty number 1003859

Company number 2588103

HOPE HOUSE CHILDREN'S HOSPICES

A registered charity 1003859

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

for the year ended 31 December 2011

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HOPE HOUSE CHILDREN'S HOSPICES

A registered charity 1003859

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

for the year ended 31 December 2011

The Trustees are pleased to present their report together with the financial statements of the charity and group for the year ended 31st December 2011

REFERENCE AND ADMINISTRATIVE DETAILS

Appointed Officers of the Board

Chair	Barbara J Evans MA, MBA	Retired Local Government Officer
Vice Chair	Janette Welch	Retired Company Director
Treasurer	Philip R Inch BSc FCMA	Financial Director
Secretary	David Gwyn Bartley	Retired Solicitor

Members of the Board

Michael H Mortimer	Charity General Manager
Dr Peter Aston FRCGP, DCH	Retired GP
Dr Philip Minchom MB, ChB, FRCP, FRCPCH	Consultant Paediatrician
Meinir A Wigley	Marketing Executive
Jacquelyn A Blundel (appointed 28/09/2011)	NHS Business Performance Manager
Dr Jean B Watt (appointed 28/09/2011)	Retired Consultant Paediatrician
Stephen R Henly (appointed 03/12/2011)	Company Managing Director
Stephen Rogers (resigned 03/12/2011)	District Judge
Prabhjit Kaur Chana (resigned 28/09/2011)	Training Consultant

The members of the board are directors for the purpose of company law and trustees for the purpose of charity law

Executive Directors

CEO	Andy Goldsmith BSc (Hons) MBA MCIEH (appointed 03/05/2011) David R Featherstone MBA (retired 22/05/2011)
Director of Care	Kath Jones
Director of Fundraising	Simi Epstein
Director of Finance and Administration	Dave Plume

The Executive Directors are not directors within the meaning of the Companies Act

Registered Office	Auditors	Solicitors	Bankers
Nant Lane	RSM Tenon Audit Limited	Howell Jones and Company	HSBC Bank plc
Morda	3 Hollinswood Court	36 Station Road	The Cross
Oswestry	Stafford Park 1	Llanrwst	Oswestry
Shropshire	Shropshire	Conwy	Shropshire
SY10 9BX	Telford	LL26 0DA	SY11 2SR
	TF3 3DE		

HOPE HOUSE CHILDREN'S HOSPICES
REPORT OF THE TRUSTEES (continued)

OUR AIMS, OBJECTIVES AND ACTIVITIES

Hope House Children's Hospices strive to be centres of excellence for palliative care, serving families with children and young people who are not expected to reach the age of 25

The objectives and activities of the company remain

- To endeavour to provide care and support for families looking after life-limited children, young people and young adults by the provision of an in-house hospice care and an Outreach Nursing Service
- To provide a comprehensive psychosocial support service staffed by appropriately trained and experienced staff
- To raise, by public subscription, sufficient funds each year to provide such care
- 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
- To discuss with other providers deficiencies in service provision for terminally-ill children, young people, young adults and their families and determine what Hope House Children's Hospices can do to fulfil identified needs
- 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
- To at all times comply with the requirements of the Charity Commissioners, Companies House, the regulatory bodies for independent healthcare in England and Wales and other Statutory Bodies regulating the conduct of charity business and the operation of children's hospices.
- To ensure that all policies and procedures from time to time agreed by the Board of Trustees are implemented by the staff of the organisation

In setting the objectives the Board of Trustees have referred to the guidance contained in the Charity Commission's definition of charitable purposes for "The relief of those in need, by reason of ill health, disability or other disadvantage"

Our Principles

Hope House Children's Hospices respect the cultural and spiritual beliefs and backgrounds of all ethnic groups and take steps to ensure care is accessible and acceptable to all service users, staff and the wider community. We are fully committed to the reality of diversity and wish to support all who need us, regardless of gender, sexual orientation, disability, class or age

HOPE HOUSE CHILDREN'S HOSPICES

REPORT OF THE TRUSTEES (continued)

HOW OUR ACTIVITIES DELIVER PUBLIC BENEFIT

Who used and benefited from our services?

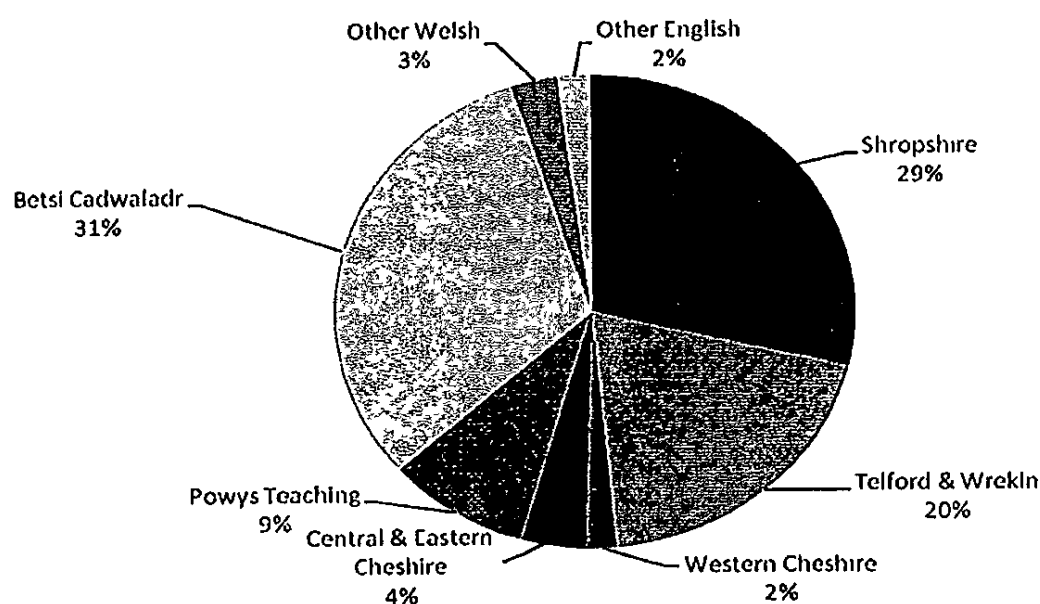
Families receiving support

Hope House Children's Hospices defined catchment area is children and families resident in Shropshire, Cheshire, North and Mid Wales

During the year Hope House Children's Hospices provided care and support for over 574 children and families, in addition to the provision of palliative care, bereavement and post bereavement support and counselling is increasingly being provided. However with a catchment area of 1.6 million and 470,000 children and young adults we now estimate on the basis of research published by the University of Leeds that approximately 1500 children and young adults (32 per 10,000 of the child and young adult population) could meet our criteria to receive services

The majority of service users in 2011 were resident in the Shropshire PCT, Telford and Wrekin PCT and Betsi Cadwaladr LHB (North Wales) areas

Chart of service user by PCT/LHB area 2011.



The comparison of residency of service users over the last three years is shown below

	2011	2010	2009
Shropshire (including Telford)	49%	45%	43%
Cheshire	6%	7%	7%
Other areas of England	2%	6%	6%
North Wales	31%	31%	33%
Mid Wales	12%	11%	11%

HOPE HOUSE CHILDREN'S HOSPICES

REPORT OF THE TRUSTEES (continued)

In House Hospice Services

Hope House Children's Hospices operates two hospices, Hope House in Morda near Oswestry, Shropshire and Tŷ Gobaith in Conwy, North Wales. During the course of the year, and despite severe weather last winter both Hope House and Tŷ Gobaith have remained open and available to children, young people and their families 24/7, 365 days

4,092 bed nights have been available during the year

Bed occupancy figures at the hospices were as follows

	2011	2010
Hope House	83%	79%
Tŷ Gobaith	84%	84%

During 2011, 171 children and young people accessed Hope House and 76 Tŷ Gobaith

Outreach and Community Support

The organisation is extensively involved in providing nursing care in the family home, as well as psychosocial support. Such support may be individual or in specific groups, such as the sibling support programme.

In 2011, 8,588 nursing hours were provided to children and young people in the home from the Outreach Team at Hope House. 2011 saw a significant increase in the number of referrals for end of life care for children and young people diagnosed with cancer which has put significant strain on the service at times. The outreach service from Tŷ Gobaith provided 1,076 hours of home nursing.

The psychosocial support provided to families has also grown over the last 3 years in response to identified need as shown below

Type of support provided in hours	2011	2010	2009
Social Work & Sibling Support	3696	3149	3127

Counselling and bereavement support

The demand to provide counselling to family members who have experienced, or will experience, the loss of a child continues to grow. During 2011 the Sunstone Centre, a specialist counselling centre on land adjoining Hope House in Oswestry was completed and opened. Funds were designated in previous years for this purpose and the Centre, in addition to families bereaved after palliative care by the organisation, offers services to non-hospice families who have experienced childhood bereavement but may not have previously been known to Hope House. The organisation also provides counselling and bereavement support to children and young people who have been bereaved in traumatic circumstances. As a result 2011 saw a continuing increase in the number of counselling hours provided.

Type of support provided in hours	2011	2010	2009
Counselling	1983	1883	1535

HOPE HOUSE CHILDREN'S HOSPICES

REPORT OF THE TRUSTEES (continued)

Volunteers

The organisation benefits greatly from significant numbers of volunteers, undertaking important roles across the service, without whom we could not function. This important social capital is a critical element of our continued success. The contribution made by our many 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.

Volunteer type	2011
Shops	260
Friends Groups & Individual Fundraising	281
Hospice based roles	22
Trustees	12
Total	575

FINANCIAL REVIEW

**In 2011 85 pence of every pound was spent on care of children, young people and families.
14 pence was spent on raising the pound and only 1 penny in the pound was spent on governance.**

For 2011 we set a budget in line with our updated five year Business Plan and being mindful of the economic climate set a net income budget of £4,796,100 and expenditure of £4,789,827 so forecasting a net surplus of £6,273 before accounting for depreciation.

Statutory Income

Statutory income during the period was in line with expectations at £750,117, amounting to 17% of total expenditure on care, with £497,775 coming from England and £252,342 from Wales.

In England income from this sector is uncertain with the effect of the replacement of Primary Care Trusts by Clinical Commissioning consortia as yet unknown. However the Department of Health has committed to maintain the central grant to Children's Hospices at current levels pending the investigation of the viability of introducing a tariff based system from 2015.

In Wales the situation is a little more certain with the Welsh Government confirming the current level of funding through the central grant for 2012 and no indication that the level of funding by Local Health Boards will change in the coming year.

Fundraising activities

The Fundraising Team gave a strong performance in the face of a recession and severe economic difficulties. Voluntary income was up 7% despite a shortfall in general donations of 26%. Income from legacies was up on the previous year and income from Trusts performed very well with significant donations being received toward the cost of the Sunstone Counselling Centre.

Subsidiary Company Contributions

Both the Lottery and Trading company had strong trading years contributing via Gift Aid £624,531 to the Charity.

Lottery

Membership of the Lottery grew significantly over the year thanks to a decision to allocate funds to a third party recruitment agency paid on results.

HOPE HOUSE CHILDREN'S HOSPICES
REPORT OF THE TRUSTEES (continued)

Trading

The Trading Company continued to perform well. The two shops relocated in 2010 (Oswestry and Nantwich) performed above expectation, with the Oswestry shop developing a successful second hand furniture sales area. The Shrewsbury shop was refurbished during the year. 2012 will see the opening of a large shop in Bangor, refurbishment of two shops and the introduction of gift aid on donated goods. The sourcing of good donated stock remains the main challenge for shops as people move house less and keep items longer during the economic downturn.

Investments

The Investment Portfolio is managed by a Specialist Sub Committee of the Board of Trustees. In general terms the aim is to spread risk across several sectors as follows -

- Cash in UK registered current, deposit and overnight accounts. Decisions are 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

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.

Investment income in 2011 was £82,922, a fall from the previous year due to reduced invested reserves following the construction of the Sunstone Counselling Centre and the continued poor performance of the financial markets.

In total therefore we achieved gross income of £6,237,562. We delivered all our planned core services to an increased number of children and young people and their families within the original business plan. This resulted in total gross expenditure of £6,326,254.

Having taken account of all the items above and gains in investment assets we ended the year with a deficit of £82,043.

HOPE HOUSE CHILDREN'S HOSPICES

REPORT OF THE TRUSTEES (continued)

Reserves Policy

The Board of 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 Senior Management Team will be able to ensure an acceptable level of income from diverse sources during the current year.

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 £4.9 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 £11.2 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 £4.1 million (£3.4 million undesignated).

Review of previous years objectives

The significant objectives set down by the Trustees for 2011 were:

- **To develop new income streams to help mitigate potential reduction in statutory funding.**
The most significant new income stream has been the growth in lottery players. By utilizing the services of a specialist Recruitment Company the lottery has grown from 5194 players at the start of the year to 7900 by year end. The relationship with the external lottery company has been good and the results quantifiable. Working with the external recruiter has ensured minimal risk to the Charity as we have continued to only pay on results. Attrition rates have been acceptable at around 0.3% per month. The lottery team continue to recruit new players through mailings and telephone canvassing.
- **To convert new rooms within Tŷ Gobaith for the use of young adults following relocation of offices and training rooms to a new extension.**
A lounge specifically for teenagers and young adults was completed in April 2011. The room is fitted with television with Sky package, iPod, Wii and a fridge. Piped oxygen has been installed to ensure maximum comfort to those who need it. The room was decorated and furnished after full consultation with young people who use the hospice.
- **To finish construction and fit out a new counselling building at Hope House to be called the Sunstone Centre.**
The Sunstone centre was officially opened by David Featherstone, Retired CEO on the 29th June 2011.
- **To complete the review of financial policies and procedures commenced in 2010.**
A set of financial policies and procedures have been drafted and will be presented to the Board for approval early in 2012.
- **To review and revise the operational guidance for Trustees to support the recruitment of new Trustees during 2011.**
Three new trustees were recruited in 2011 following advertisement. A policy and procedural guidance for the recruitment of new Trustees was approved by the Board in September 2011.

HOPE HOUSE CHILDREN'S HOSPICES
REPORT OF THE TRUSTEES (continued)

Plans for Future Periods - Objectives for 2012

The period between 2003 and 2009 saw income increase at a significant rate. In late 2009 a decision was made to invest in the Sunstone Counselling Centre and its opening in 2011 saw the end of a period of sustained growth for the organisation.

Income fell sharply in 2010, rallied slightly in 2011 and we are budgeting for a slow rate of growth over the next five years.

Given the forecast slow down in income and the major developments in service provision over the preceding years the proposed strategy for the period 2012 to 2015 is one of stability. This translates in terms of the overall objective to

- Concentrate on achieving and maintaining operational excellence in the delivery of our current services
- Seek to improve efficiency and achieve cost savings
- Develop and maximise the opportunity of existing income streams

In particular the following objectives have been set

Achieving and maintaining operational excellence.

- To progress the implementation of the Paediatric Pain Profile assessments on children and young people
- To ensure that Medicines Management at the hospices reflects new guidance and best practice.
- To progress the completion of the new Future Wishes Forms with families
- To begin awareness raising of hospice services with local Neonatal Intensive Care Units
- To increase the involvement of children and young people in the organisation's Safeguarding Strategy
- To begin to work towards becoming an Accredited Professional Counselling Service

To improve efficiency and achieve cost savings

- To introduce a programme with the intention of reducing sickness absence levels
- To conduct research into pay ranges to ensure that they reflect local pay trends and are equitable across job roles and research possible benefits not currently offered
- A full review of HR Policies and procedural guidelines for Line Managers coupled with the production of a staff handbook

HOPE HOUSE CHILDREN'S HOSPICES
REPORT OF THE TRUSTEES (continued)

Plans for Future Periods - Objectives for 2012 continued

Develop and maximise the opportunity of existing income streams.

- To grow the lottery by 3000 players
- To introduce gift aid on donated goods sold through our shops.
- To develop a bigger shop presence in Bangor supported by increased stock collections in North West Wales and refurbishment of Chester and Mold shops.
- To review Christmas card sales and new goods

STRUCTURE, GOVERNANCE AND MANAGEMENT

Hope House Children's Hospices is a charitable company limited by guarantee incorporated on 4th March 1991. The company was established under a Memorandum of Association which established the objectives and powers of the charitable company and is governed under its Articles of Association. The liability of members is limited and in the event of the company being wound up members may be required to contribute an amount not exceeding one pound.

Governing document

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

Organisational structure

The organisation is governed by its Memorandum and Articles of Association, and these vest the management of the company in the Board. The Trustees making up the Board are drawn from the community served by the organisation. The Trustees have no pecuniary interest in the company and give their services voluntarily.

In accordance with the Articles of Association at the Annual General Meeting to be held every year one third of the Board for the time being, or if the number is not a multiple of three then the nearest to one-third, shall retire from office. Members may offer themselves for re-election.

The members of the Board to retire shall be those who have been longest in office since their last election or appointment. At the 2012 Annual General Meeting the following Trustees will retire, and being eligible, may offer themselves for re-election:

Philip Minchom
Mike Mortimer
Barbara Evans
Phil Inch

The 2012 AGM will be held at Hope House on Wednesday 26th September

HOPE HOUSE CHILDREN'S HOSPICES

REPORT OF THE TRUSTEES (continued)

Organisational structure - continued

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
- Investments
- Senior Managers' Remuneration

The Chair and Vice Chair meet regularly with the Senior Management Team to discuss day to day 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 two subsidiary companies (Trading and Lottery) have Boards that meet Quarterly.

Risk management

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. The Board is apprised at each meeting of the current financial situation by the Treasurer who has regular meetings with the CEO and Director of Finance.

Trustees' 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 2006. 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.

The members of the board are directors for the purpose of company law and trustees for the purpose of charity law.

HOPE HOUSE CHILDREN'S HOSPICES
REPORT OF THE TRUSTEES (continued)

Trustees' Responsibilities in Relation to the Financial Statements continued

In accordance with company law, as the company's directors, we certify that

- so far as we are aware, there is no relevant audit information of which the company's and group's auditors are unaware, and
- we have taken all the steps that we ought to have taken in order to make ourselves aware of any relevant audit information and to establish that the charity's auditors are aware of that information

By Order of the Board



Barbara J. Evans MA MBA
Chair of Trustees

2 May 2012

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

HOPE HOUSE CHILDREN'S HOSPICES

(Registration number: 2588103)

We have audited the financial statements of Hope House Children's Hospices for the year ended 31 December 2011 which comprise the Statement of Financial Activities, the Summary Income and Expenditure Account, the Balance Sheet and the Cash Flow Statement, and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the charity's members, as a body, in accordance with Sections 495 and 496 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the 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

The trustees' (who are also the directors of Hope House Children's Hospices for the purposes of company law) responsibilities for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and for being satisfied that the financial statements give a true and fair view are set out in the Statement of Trustees' Responsibilities.

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, have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and have been prepared in accordance with the Companies Act 2006. We also report to you whether in our opinion the information given in the Trustees' Annual Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the charity has not kept adequate accounting records, if the financial statements are not in agreement with the accounting records and returns, if we have not received all the information and explanations we require for our audit, or if certain disclosure of trustees' remuneration specified by law are not made.

We read the Trustees' Annual Report and consider the implications for our report if we become aware of any apparent misstatements within it.

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 trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable company'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 of the state of the charitable company's and group's affairs at 31 December 2011, 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 United Kingdom Generally Accepted Accounting Practice,

the financial statements have been prepared in accordance with the Companies Act 2006, and

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

RSM Tenon Audit Ltd
 Ian Walsh - Senior Statutory Auditor
 for and on behalf of:
 RSM Tenon Audit Limited
 Statutory Auditor
 9 May 2012

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 2011

	Note	Unrestricted Funds General Funds £	Funds Designated Funds £	Restricted Funds £	Total 2011 £	Total 2010 £
INCOMING RESOURCES						
Incoming resources from generated funds:						
Voluntary income	4	3,506,916	-	-	3,506,916	3,272,898
Activities for generating funds						
- incoming resources from subsidiaries trading activities	3	1,902,403	-	-	1,902,403	1,679,376
Investment income	5	78,126	-	-	78,126	86,514
Incoming resources from charitable activities	6	-	-	750,117	750,117	748,409
TOTAL INCOMING RESOURCES		5,487,445	-	750,117	6,237,562	5,787,197
RESOURCES EXPENDED						
Costs of generating funds						
Costs of generating voluntary income						
Fundraising trading						
- appeals department	7	707,480	-	-	707,480	682,607
- subsidiaries trading activities	3	1,273,118	-	-	1,273,118	1,289,201
Charitable activities						
- cost of activities in furtherance of the charity's objects	7	3,546,375		750,117	4,296,492	3,991,788
Governance costs						
- management and administration	8	49,152	-	-	49,152	42,891
Other resources expended						
Taxation	11	12	-	-	12	-
TOTAL RESOURCES EXPENDED		5,576,137	-	750,117	6,326,254	6,006,487
NET INCOMING RESOURCES BEFORE TRANSFERS		(88,692)	-	-	(88,692)	(219,290)
GROSS TRANSFERS BETWEEN FUNDS	19	329,000	(329,000)	-	-	-
NET INCOMING RESOURCES BEFORE OTHER RECOGNISED GAINS AND LOSSES		240,308	(329,000)	-	(88,692)	(219,290)
OTHER RECOGNISED GAINS AND LOSSES						
Gains/(losses) on investment assets	10	6,649	-	-	6,649	64,957
NET MOVEMENTS IN FUNDS		246,957	(329,000)	-	(82,043)	(154,333)
RECONCILIATION OF FUNDS						
Total Funds brought forward		10,263,169	1,000,000	-	11,263,169	11,417,502
TOTAL FUNDS CARRIED FORWARD	19	10,510,126	671,000	-	11,181,126	11,263,169

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 2011

	Note	Unrestricted Funds General Funds £	Funds Designated Funds £	Restricted Funds £	Total 2011 £	Total 2010 £
INCOMING RESOURCES						
Incoming resources from generated funds:						
Voluntary income	4	3,506,916	-	-	3,506,916	3,272,898
Investment income	5	82,922	-	-	82,922	92,621
Income from subsidiaries	4	624,531	-	-	624,531	384,068
Incoming resources from charitable activities	6	-	-	750,117	750,117	748,409
TOTAL INCOMING RESOURCES		4,214,369	-	750,117	4,964,486	4,497,996
RESOURCES EXPENDED						
Costs of generating funds						
Costs of generating voluntary income						
Fundraising trading other costs	7	707,480	-	-	707,480	682,607
Charitable activities						
- cost of activities in furtherance of the charity's objects	7	3,546,375		750,117	4,296,492	3,991,788
Governance costs						
- management and administration	8	49,152	-	-	49,152	42,891
TOTAL RESOURCES EXPENDED		4,303,007	-	750,117	5,053,124	4,717,286
NET INCOMING RESOURCES BEFORE TRANSFERS		(88,638)	-	-	(88,638)	(219,290)
GROSS TRANSFERS BETWEEN FUNDS	19	329,000	(329,000)	-	-	-
NET INCOMING RESOURCES BEFORE OTHER RECOGNISED GAINS AND LOSSES		240,362	(329,000)	-	(88,638)	(219,290)
OTHER RECOGNISED GAINS AND LOSSES						
Gains/(losses) on investment assets	14	6,649	-	-	6,649	64,957
NET MOVEMENTS IN FUNDS		247,011	(329,000)	-	(81,989)	(154,333)
RECONCILIATION OF FUNDS						
Total Funds brought forward		10,243,254	1,000,000	-	11,243,254	11,397,587
TOTAL FUNDS CARRIED FORWARD	19	10,490,265	671,000	-	11,161,265	11,243,254

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 2011

	Total Funds	
	2011 £	2010 £
Gross income of continuing operations	6,237,562	5,787,197
Total expenditure of continuing operations	<u>(6,326,242)</u>	<u>(6,006,487)</u>
(Deficit)/Surplus on continuing operations for the year before taxation and transfers	(88,680)	(219,290)
Profit / (Loss) on the revaluation of investments	6,649	64,957
Taxation	(12)	-
	<u><u>(82,043)</u></u>	<u><u>(154,333)</u></u>

- Gross income from continuing activities is derived from £5,487,445 unrestricted funds and £750,117 restricted funds

- Of total expenditure, £5,576,137 relates to unrestricted funds, £nil relates to designated funds and £750,117 relates to restricted funds

- The net deficit for the year before transfers consists of £88,692 unrestricted funds and of £nil designated funds

The summary income and expenditure account is derived from the Consolidated Statement of Financial Activities on page 13 which, together with the notes on pages 19 to 29, provides full information on the movements during the year on all funds of the charitable company and group

HOPE HOUSE CHILDREN'S HOSPICES

(Registration number: 2588103)

GROUP BALANCE SHEET

at 31 December 2011

		2011		2010	
	Notes	£	£	£	£
FIXED ASSETS					
Tangible assets	12	6,116,306		5,491,205	
Investments	14	<u>4,199,522</u>		<u>3,910,591</u>	
TOTAL FIXED ASSETS			10,315,828		9,401,796
CURRENT ASSETS					
Stock	15	44,034		26,700	
Debtors	16	311,084		119,071	
Cash at bank and in hand		<u>761,676</u>		<u>1,969,501</u>	
TOTAL CURRENT ASSETS		1,116,794		2,115,272	
LIABILITIES					
Creditors: Amounts falling due within one year	17	<u>(251,496)</u>		<u>(253,899)</u>	
NET CURRENT ASSETS			865,298		1,861,373
NET ASSETS			<u>11,181,126</u>		<u>11,263,169</u>
THE FUNDS OF THE CHARITY:					
Restricted funds	19		-		-
Unrestricted funds					
General funds	19		10,490,265		10,243,254
Designated funds	19		671,000		1,000,000
Non-charitable trading funds	19		<u>19,861</u>		<u>19,915</u>
TOTAL UNRESTRICTED FUNDS			<u>11,181,126</u>		<u>11,263,169</u>
TOTAL CHARITY FUNDS			<u>11,181,126</u>		<u>11,263,169</u>

Approved by the board on 2nd May 2012 and signed on its behalf by -



Barbara J. Evans MA MBA

Chair

The notes on pages 19 to 29 form part of these accounts

HOPE HOUSE CHILDREN'S HOSPICES

(Registration number: 2588103)

BALANCE SHEET

at 31 December 2011

	Notes	2011		2010	
		£	£	£	£
FIXED ASSETS					
Tangible assets	13	5,940,883		5,289,152	
Investments	14	<u>4,199,526</u>		<u>3,910,595</u>	
TOTAL FIXED ASSETS			10,140,409		9,199,747
CURRENT ASSETS					
Stock	15	-		-	
Debtors	16	784,461		488,978	
Cash at bank and in hand		<u>375,788</u>		<u>1,705,776</u>	
TOTAL CURRENT ASSETS		1,160,249		2,194,754	
LIABILITIES					
Creditors. Amounts falling due within one year	17	<u>(139,393)</u>		<u>(151,247)</u>	
NET CURRENT ASSETS			1,020,856		2,043,507
NET ASSETS			11,161,265		11,243,254
THE FUNDS OF THE CHARITY:					
Restricted funds	19	-		-	
Unrestricted funds					
General funds	19	10,490,265		10,243,254	
Designated funds	19	<u>671,000</u>		<u>1,000,000</u>	
TOTAL UNRESTRICTED FUNDS		11,161,265		11,243,254	
TOTAL CHARITY FUNDS		11,161,265		11,243,254	

Approved by the board on 2nd May 2012 and signed on its behalf by:-



Barbara J. Evans MA MBA

Chair

The notes on pages 19 to 29 form part of these accounts

HOPE HOUSE CHILDREN'S HOSPICES
CONSOLIDATED CASHFLOW STATEMENT
for the year ended 31 December 2011

	2011	2010
	£	£
Net cash inflow from operating activities	9,602	100,926
Returns on investment:		
Interest received	78,126	86,514
Taxation	-	-
Capital expenditure and financial investment		
Purchase of property, plant and equipment	(1,013,271)	(1,182,382)
Proceeds from sale of fixed assets	-	-
	(1,013,271)	
Financing of investments		
Purchase of new investments	(1,200,000)	(1,000,000)
Proceeds from sale of investments	917,718	3,500,000
	(282,282)	-
Increase/(Decrease) in cash	(1,207,825)	1,505,058
Cash at bank and in hand at 1 January 2011	1,969,501	464,443
Cash at bank and in hand at 31 December 2011	761,676	1,969,501
Reconciliation of operating surplus to operating cashflow:		
Net incoming resources (before revaluation gains/losses)	(88,692)	(219,290)
Less: investment income	(78,126)	(86,514)
Operating deficit	(166,818)	(305,804)
Donated investments	-	(86,780)
Depreciation and loss on disposals	388,170	351,379
Increase in stocks	(17,334)	(1,196)
(Increase)/Decrease in debtors	(192,013)	(36,388)
(Decrease)/Increase in creditors	(2,403)	179,715
	9,602	100,926

HOPE HOUSE CHILDREN'S HOSPICES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2011

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 408 of the Companies Act 2006.

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 TO CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2011

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 £1,000 are capitalised, assets purchased with a cost less than £1,000 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 2006 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 TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2011

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:	Hope House (Lottery) Limited		Hope House (Trading) Limited	
	2011 £	2010 £	2011 £	2010 £
Turnover	359,902	233,566	1,540,161	1,443,890
Cost of Sales	(87,708)	(82,670)	(58,701)	(77,109)
	<u>272,194</u>	<u>150,896</u>	<u>1,481,460</u>	<u>1,366,781</u>
Administrative expenses	(55,911)	(57,810)	(1,070,798)	(1,071,612)
	<u>216,283</u>	<u>93,086</u>	<u>410,662</u>	<u>295,169</u>
Operating profit	-	-	2,340	1,920
Rent receivable	80	65	71	67
Interest receivable	(528)	(458)	(4,419)	(5,781)
Interest payable to the charity	<u>215,835</u>	<u>92,693</u>	<u>408,654</u>	<u>291,375</u>
Net profit	(215,877)	(92,693)	(408,654)	(291,375)
Donation under Gift Aid to the charity	(12)	-	-	-
Taxation	<u>(54)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Retained in subsidiary				
Summarised trading activities	Hope House (Lottery) Ltd	Hope House (Trading) Ltd	Total 2011	Total 2010
	£	£	£	£
Incoming resources				
Turnover	359,902	1,540,161	1,900,063	1,677,456
Rent receivable	-	2,340	2,340	1,920
			<u>1,902,403</u>	<u>1,679,376</u>
Trading costs				
Cost of Sales	(87,708)	(58,701)	(146,409)	(159,779)
Administrative expenses	(55,911)	(1,070,798)	(1,126,709)	(1,129,422)
Taxation	(12)	-	(12)	-
			<u>(1,273,130)</u>	<u>(1,289,201)</u>
Assets and liabilities :	Hope House (Lottery) Limited		Hope House (Trading) Limited	
	2011 £	2010 £	2011 £	2010 £
Tangible fixed assets	125	167	175,298	201,884
Current assets	187,222	150,715	291,543	195,566
Creditors Amounts falling due within one year	(182,480)	(145,961)	(451,843)	(382,452)
	<u>4,742</u>	<u>4,698</u>	<u>(160,300)</u>	<u>(186,886)</u>
Net current assets/(liabilities)				
Net assets	<u>4,867</u>	<u>4,921</u>	<u>14,998</u>	<u>14,998</u>
Share capital	2	2	2	2
Reserves	4,865	4,919	14,996	14,996
	<u>4,867</u>	<u>4,921</u>	<u>14,998</u>	<u>14,998</u>

HOPE HOUSE CHILDREN'S HOSPICES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2011

4 INCOMING RESOURCES FROM GENERATED FUNDS

Voluntary income	Unrestricted £	Restricted £	Total 2011 £	Total 2010 £
Donations	2,252,270	-	2,252,270	2,179,686
Donated investments	-	-	-	86,780
Tax recovered - Gift Aid	56,378	-	56,378	58,944
Legacies	1,181,870	-	1,181,870	940,346
Other income	16,398	-	16,398	7,142
	<u>3,506,916</u>	<u>-</u>	<u>3,506,916</u>	<u>3,272,898</u>

Charity Information**Transactions with subsidiaries**

Donations from subsidiaries under Gift Aid	624,531	384,068
Donor details purchased from subsidiary	(84,908)	(36,378)

5 INVESTMENT INCOME

	Group		Charity	
	2011 £	2010 £	2011 £	2010 £
Interest on UK Government securities	28,139	32,673	28,139	32,673
Interest on bank deposits	49,836	53,709	49,836	53,709
Interest on bank deposits - subsidiaries	151	132	-	-
Interest received from subsidiaries	-	-	4,947	6,239
	<u>78,126</u>	<u>86,514</u>	<u>82,922</u>	<u>92,621</u>

6 INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

Income from statutory bodies:	Unrestricted £	Restricted £	Total 2011 £	Total 2010 £
English PCT grants	-	159,073	159,073	163,268
English Department of Health grant towards pensions	-	31,992	31,992	31,992
Department of Health Hospice Initiative	-	299,752	299,752	300,000
Telford & Wrekin contribution towards playroom	-	6,958	6,958	-
Shropshire County Council grant towards outings	-	-	-	2,399
Welsh LHB grants	-	50,638	50,638	50,629
Welsh Health Authority grants towards pensions	-	26,704	26,704	25,121
Welsh Assembly grant - 2010	-	-	-	175,000
Welsh Assembly grant - 2011	-	175,000	175,000	-
	<u>-</u>	<u>750,117</u>	<u>750,117</u>	<u>748,409</u>

HOPE HOUSE CHILDREN'S HOSPICES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2011

7 TOTAL RESOURCES EXPENDED

	Activities undertaken directly	Grant funding	Support costs	2011 Total	2010 Total
	£	£	£	£	£
Cost of generating funds					
Cost of generating voluntary income					
Appeals department					
Staff costs and overheads	393,328	-	90,323	483,651	484,414
Publicity materials	223,829	-	-	223,829	198,193
				<u>707,480</u>	<u>682,607</u>
Fundraising trading					
Cost of goods sold	80,141	-	-	80,141	93,511
Operating expenses	1,126,709	-	-	1,126,709	1,129,422
Lottery prizes paid out	66,268	-	-	66,268	66,268
				<u>1,273,118</u>	<u>1,289,201</u>
Charitable activities					
Care of children and families	3,228,795	750,117	317,580	4,296,492	3,991,788
Governance costs	42,451	-	6,701	49,152	42,891
Other resources expended					
Taxation	12	-	-	12	-
	<u>5,161,533</u>	<u>750,117</u>	<u>414,604</u>	<u>6,326,254</u>	<u>6,006,487</u>

8 SUPPORT COSTS ALLOCATION

	Finance & legal	Office management	Direct support costs	2011 Total	2010 Total
	£	£	£	£	£
Cost of generating funds					
Cost of generating voluntary income					
Appeals department					
Staff costs and overheads	-	26,365	63,958	90,323	91,341
Publicity materials	-	-	-	-	-
Fundraising trading					
Cost of goods sold	-	-	-	-	-
Operating expenses	-	-	-	-	-
Lottery prizes paid out	-	-	-	-	-
Investment management fees	-	-	-	-	-
Charitable activities					
Care of children and families	-	296,099	21,481	317,580	289,276
Governance costs	6,443	258	-	6,701	3,781
Other resources expended					
Taxation	-	-	-	-	-
	<u>6,443</u>	<u>322,722</u>	<u>85,439</u>	<u>414,604</u>	<u>384,398</u>

HOPE HOUSE CHILDREN'S HOSPICES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2011

Governance costs are made up of the following:	2011	2010
	£	£
Officers' costs - apportionment	29,673	26,715
Trustees' indemnity insurance	634	765
Trustees' expenses	144	-
Audit fees - audit services	9,500	9,130
Audit fees - non audit services	2,500	2,500
Finance and Legal fees	6,443	3,722
Overhead expenses	258	59
	<u>49,152</u>	<u>42,891</u>

No trustee received any remuneration

9 STAFF COSTS	2011	2010
	£	£
Wages and salaries	3,884,698	3,686,439
Social security costs	311,071	308,288
Pension costs	194,791	198,569
	<u>4,390,560</u>	<u>4,193,296</u>

	2011	2010
	no	no
The average number of employees, analysed by function, was		
Hospice services	107	106
Fundraising and publicity	17	17
Support	10	9
	<u>134</u>	<u>132</u>
Employed by the charity	30	29
Employed by non-charitable trading subsidiaries	<u>164</u>	<u>161</u>

Numbers of staff to whom retirement benefits are accruing

Under money purchase schemes	41	42
Under NHS Pension scheme	43	42
	<u>84</u>	<u>84</u>

HOPE HOUSE CHILDREN'S HOSPICES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2011

10 NET INCOMING RESOURCES

	2011 £	2010 £
Net incoming resources for the group are stated after charging.		
Depreciation	384,914	346,461
Loss on disposal of fixed assets	3,256	4,918
Directors' remuneration	-	-
Auditors' remuneration	12,000	11,630
Operating lease rentals other	88,127	59,550

OTHER RECOGNISED GAINS AND LOSSES

Unrealised gains on revaluation of investments	2,266	64,957
Realised gains on disposal of investments	4,383	-
	<u>6,649</u>	<u>64,957</u>

11 TAXATION

	2011 £	2010 £
UK Corporation Tax on profits for the year	-	-
Adjustments in respect of prior periods	12	-

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 £
Cost:					
At 1 January 2011	5,625,529	281,684	1,872,675	95,048	7,874,936
Additions	736,147	-	243,064	34,060	1,013,271
Disposals	-	-	(23,841)	(20,771)	(44,612)
At 31 December 2011	<u>6,361,676</u>	<u>281,684</u>	<u>2,091,898</u>	<u>108,337</u>	<u>8,843,595</u>
Depreciation:					
At 1 January 2011	1,132,725	-	1,193,757	57,249	2,383,731
Charge for the year	143,839	-	223,275	17,800	384,914
Eliminated on disposals	-	-	(21,244)	(20,112)	(41,356)
At 31 December 2011	<u>1,276,564</u>	<u>-</u>	<u>1,395,788</u>	<u>54,937</u>	<u>2,727,289</u>
Net book value:					
At 31 December 2011	<u>5,085,112</u>	<u>281,684</u>	<u>696,110</u>	<u>53,400</u>	<u>6,116,306</u>
At 31 December 2010	<u>4,492,804</u>	<u>281,684</u>	<u>678,918</u>	<u>37,799</u>	<u>5,491,205</u>

HOPE HOUSE CHILDREN'S HOSPICES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2011

13 TANGIBLE FIXED ASSETS - HOSPICE

	Freehold Land & Buildings	Investment Property	Plant Machinery Fixtures & Fittings	Motor Vehicles	Total
	£	£	£	£	£
Cost					
At 1 January 2011	5,625,529	281,684	1,375,304	95,048	7,377,565
Additions	736,147	-	217,820	34,080	988,027
Disposals	-	-	(15,920)	(20,771)	(36,691)
At 31 December 2011	<u>6,361,676</u>	<u>281,684</u>	<u>1,577,204</u>	<u>108,337</u>	<u>8,328,901</u>
Depreciation:					
At 1 January 2011	1,132,725	-	898,439	57,249	2,088,413
Charge for the year	143,839	-	171,664	17,800	333,303
Eliminated on disposals	-	-	(13,586)	(20,112)	(33,698)
At 31 December 2011	<u>1,276,564</u>	<u>-</u>	<u>1,056,517</u>	<u>54,937</u>	<u>2,388,018</u>
Net book value.					
At 31 December 2011	<u>5,085,112</u>	<u>281,684</u>	<u>520,687</u>	<u>53,400</u>	<u>5,940,883</u>
At 31 December 2010	<u>4,492,804</u>	<u>281,684</u>	<u>476,865</u>	<u>37,799</u>	<u>5,289,152</u>

The investment property relates to a shop in Crewe which is being rented by Hope House (Trading) Limited. During 2008 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	Investment in subsidiaries	Company	Total
	£	£	£	£
At 1 January 2011	3,910,591	4	3,910,591	3,910,595
Additions in the year	1,200,000	-	1,200,000	1,200,000
Disposals in the year	(913,335)	-	(913,335)	(913,335)
Revaluations in the year	2,266	-	2,266	2,266
At 31 December 2011	<u>4,199,522</u>	<u>4</u>	<u>4,199,522</u>	<u>4,199,526</u>
Historical cost	<u>3,801,658</u>	<u>4</u>	<u>3,801,658</u>	<u>3,801,662</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 TO CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2011

14 INVESTMENTS (CONTINUED)

Assets comprising more than 5% of the fund total are -	£	%
HSBC Money Market	1,200,000	28.6%
Co-operative Bank	1,000,000	23.8%
Santander	1,000,000	23.8%
Aria Global Property Tracker+	400,000	9.5%

15 STOCKS

	Group		Company	
	2011	2010	2011	2010
	£	£	£	£
Goods for resale	44,034	26,700	-	-

16 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2011	2010	2011	2010
	£	£	£	£
Amounts due from Hope House (Trading) Limited	-	-	413,073	347,155
Amounts due from Hope House (Lottery) Limited	-	-	109,147	78,607
Prepayments	311,084	119,071	262,241	63,216
	<u>311,084</u>	<u>119,071</u>	<u>784,461</u>	<u>488,978</u>

17 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2011	2010	2011	2010
	£	£	£	£
Trade creditors	76,136	91,582	45,644	61,083
Social security and other taxes	97,784	95,965	91,817	90,897
Accruals and deferred income	77,576	66,352	1,932	(733)
	<u>251,496</u>	<u>253,899</u>	<u>139,393</u>	<u>151,247</u>

HOPE HOUSE CHILDREN'S HOSPICES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2011

18 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Restricted Funds	Designated Funds	General Funds	Non Charitable Funds	Total Funds
	£	£	£	£	£
Tangible fixed assets	-	-	5,940,883	175,423	6,116,306
Investments	-	-	4,199,522	-	4,199,522
Cash at bank and in hand	-	671,000	(295,212)	385,888	761,676
Other net current assets/(liabilities)	-	-	645,056	(541,434)	103,622
	-	671,000	10,490,249	19,877	11,181,126

19 MOVEMENT IN FUNDS

	At 1 January 2011	Incoming resources	Outgoing resources	Transfers	At 31 December 2011
	£	£	£	£	£
Restricted funds					
English PCT grant	-	159,073	(159,073)	-	-
English Department of Health grant towards pensions	-	31,992	(31,992)	-	-
Department of Health Hospice Initiative	-	299,752	(299,752)	-	-
Telford & Wrekin contribution towards playroom	-	6,958	(6,958)	-	-
Welsh LHB grants	-	50,638	(50,638)	-	-
Welsh Assembly grant towards pensions	-	26,704	(26,704)	-	-
Welsh Assembly grant	-	175,000	(175,000)	-	-
Total restricted funds	-	750,117	(750,117)	-	-
Unrestricted funds					
Designated workforce management fund	250,000	-	-	-	250,000
Designated palliative care projects fund	-	-	-	400,000	400,000
Designated capital development fund	750,000	-	-	(729,000)	21,000
	1,000,000	-	-	(329,000)	671,000
General funds	10,243,254	3,591,540	(3,673,529)	329,000	10,490,265
Non charitable trading funds	19,915	1,902,554	(1,902,608)	-	19,861
Total unrestricted funds	11,263,169	5,494,094	(5,576,137)	-	11,181,126

20 RESTRICTED FUNDS

The Welsh Assembly Government awarded the Hospice a grant in 2011 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 2011 towards the pension costs of care staff

The Department of Health awarded the Hospice a grant in 2011 to fund care for children in England

All English PCT's, with the exception of East & Central Cheshire, awarded the Hospice grants in 2011 to fund palliative care for children in England living in their areas

All Welsh LHB's served by the Hospices made small direct grants to support the palliative care of children from their areas

HOPE HOUSE CHILDREN'S HOSPICES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2011

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.

The Trustees feel that it is prudent to 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.

Funds have been designated over the last three years to a Capital Development Fund to ensure that the Sunstone Counselling Centre costs could be met. At the year end the amount of capital costs that have been expended during the year have been transferred back to general reserves.

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

Since the year end the charity has received a legacy of £200,000 which they were entitled to at the 31 December 2011. This has been accrued for and is included in voluntary income in the Consolidated Statement of Affairs.

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 2011 was £408,654 (2010: £291,375) for Hope House (Trading) Limited and £215,877 (2010: £92,693) for Hope House (Lottery) Limited.

Recharges were also made from Hope House (Lottery) Limited for donor details for £84,908 (2010: £36,378).

At the balance sheet date, Hope House (Trading) Limited owed the charity £413,073 (2010: £347,155). 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 £4,419 (2010: £5,781).

At the balance sheet date, Hope House (Lottery) Limited owed the charity £109,147 (2010: £78,609), interest of £458 (2010: £528) was charged during the year and the charity owed the company £2 (2010: £2). No interest has been charged on this amount outstanding.

25 CAPITAL COMMITMENTS

At the balance sheet date there was a capital commitment of the retention money of £21,000 relating to the building costs of the Sunstone Counselling Centre.

26 OPERATING LEASE COMMITMENTS

At 31 December 2011, the group had annual commitments under non-cancellable operating leases as follows:

Expiry Date	Group		Company	
	2011	2010	2011	2010
	£	£	£	£
Within one year	4,039	14,626	1,283	7,647
Between two and five years	173,916	63,456	139,106	63,456