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HOPE HOUSE CHILDREN'S HOSPICES

(A COMPANY LIMITED BY GUARANTEE)

CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2009

Charity 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 2009

CONTENTS

Pages	1 - 7	Trustees' Report
	8	Report of the auditors
	9	Consolidated statement of financial activities
	10	Hospice statement of financial activities
	11	Summary income and expenditure account
	12	Group balance sheet
	13	Hospice balance sheet
	14	Consolidated cashflow statement
	15-25	Notes to the financial statements

HOPE HOUSE CHILDREN'S HOSPICES

A registered charity 1003859

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

for the year ended 31 December 2009

The Trustees are pleased to present their report together with the financial statements of the charity and group for the year ended 31st December 2009

REFERENCE AND ADMINISTRATIVE DETAILS

Trustees and directors

Chair	Barbara Evans MA, MBA	Local Government Officer
Vice Chair	Janette Welch	Training Manager
Treasurer	Philip Inch BSc FCMA	Financial Director
Trustees	Michael Mortimer Dr Peter Aston FRCGP, DCH Stephen Rogers Dafydd Wigley Dr Philip Minchom MB, ChB, FRCP, FRCPCH Prabhjit Kaur Chana Gwyn Bartley Meinir Wigley	Sales Manager Retired GP District Judge Company Director Medical Practitioner Training Consultant Solicitor Marketing Executive
Secretary and Chief Executive Officer	David Featherstone MBA	Chief Executive Officer

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

HOPE HOUSE CHILDREN'S HOSPICES

REPORT OF THE TRUSTEES (continued)

OUR AIMS, OBJECTIVES AND ACTIVITIES

Hope House and Tŷ Gobaith will strive to be centres of excellence for palliative care, benefiting the public by serving families with children who are not expected to reach the age of 25

The aims, objectives and activities of the charity remain

- 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 Board of Trustees are implemented by the staff of the organisation

In setting the objectives the Trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit

HOW OUR ACTIVITIES DELIVER PUBLIC BENEFIT

Who used and benefited from our services?

Families receiving support

During the year Hope House Children's Hospices provided care and support for over 475 children and families, with the usage of services by area of dwelling being

	2009	2008	2007
Shropshire	29%	29%	39%
Cheshire	12%	12%	9%
Other areas of England	5%	4%	3%
North Wales	46%	48%	36%
Mid Wales	8%	7%	13%

HOPE HOUSE CHILDREN'S HOSPICES

REPORT OF THE TRUSTEES (continued)

Families receiving support - continued

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

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

Although situated in England, nearly 33% of the beds at Hope House were utilised by Welsh children, who now receive 54% of the total care delivered by the organisation

Hospice and Community Support Services

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 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. During 2010 a start will be made on a specialist Counselling Centre on land adjoining the existing Oswestry Hospice. Funds were designated in previous accounts for this purpose and it is anticipated the total cost of construction and commissioning will amount to £1.5m. Building is expected to commence in July 2010. When completed, the Centre will, in addition to families bereaved after care by the organisation, offer services to non-hospice families who have experienced sudden childhood death but may not have previously been known to Hope House.

Bed occupancy figures at the Hospices during 2009 were as follows

Hope House	78%
Tŷ Gobaith	83%

It is confidently anticipated these figures will increase in 2010 as the effects of staff recruitment to cover sickness and other absence takes effect.

A small extension to the hospice at Tŷ Gobaith, Conwy, will also commence during the coming year to increase provision for young adults. During 2009 the Healthcare Inspectorate (Wales) agreed to extend the age range to 25 and specific facilities for the upper age group are now required. The total cost of this capital project will not exceed £250,000 - a sum which has been designated in previous accounts.

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 of operations. 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.

FINANCIAL REVIEW

Statutory Income

The Welsh Assembly Government (WAG) 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 (LHB). Having always experienced a particularly low level of support from LHB's (under 5%) Hope House Children's Hospices fared well from the Finlay Formula and in the future expect to receive an award of £175,000 per annum direct from WAG.

HOPE HOUSE CHILDREN'S HOSPICES

REPORT OF THE TRUSTEES (continued)

Statutory Income - continued

The central grant to Children's Hospices from the Department of Health in England is due to end in 2011 but is the subject of intense political debate. It remains to be seen whether a change of Government will affect the situation or, indeed, whether the re-election of the present government results in a continuation of the grant beyond 2011.

Fundraising activities

The Fundraising Team achieved another very successful year in the face of recession and severe economic difficulties. Legacies again accounted for a significant proportion of the total donations received. Legacies have to be worked for in a very competitive market and a vigorous campaign bringing our service to the attention of the public, Solicitors and Funeral Directors is conducted at all times.

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

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.

HOPE HOUSE CHILDREN'S HOSPICES

REPORT OF THE TRUSTEES (continued)

Reserves Policy - Continued

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 2009 a payment of £15,800 was made from the fund to assist a senior member of staff suffering from breast cancer. This action enabled the member of staff to successfully return to duty after a 10 month break for treatment.

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 £4.5 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 £11.4 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 £6.75 million (£4.75 million undesignated).

Plans for Future Periods - Objectives for 2010

The significant objectives set down by the Trustees for 2010 are

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

To construct an extension to the outbuildings at Tŷ Gobaith to facilitate the care of young adults up to the age of 25.

To commence construction of a specially designed Counselling Centre and Staff Training Room on a site purchased for this purpose during 2009.

To review the financial policies and procedures of the Charity to ensure they adequately meet the circumstances encountered today and clear parameters of delegated authority are written down.

STRUCTURE, GOVERNANCE AND MANAGEMENT

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 of Trustees. 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.

HOPE HOUSE CHILDREN'S HOSPICES

REPORT OF THE TRUSTEES (continued)

Organisational structure - continued

In accordance with the constitution, the Trustees retire by rotation on a three year rolling basis. At the 2010 Annual General Meeting the following Trustees will retire, and being eligible, will offer themselves for re-election

Dafydd Wigley
Dr Peter Aston
Stephen Rogers

The 2010 AGM will be held at Hope House on Wednesday 22nd September

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.

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.

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

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

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.

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 auditors are unaware, and
- as directors of the company 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.

Auditors

The audit business of RSM Bentley Jennison, who had previously been appointed as the company's auditors, has merged with that of RSM Tenon Audit Limited who succeeded to the office of auditors to the company. The audit report on the financial statements has therefore been issued by the successor firm, RSM Tenon Audit Limited.

By Order of the Board



Barbara J. Evans MA MBA
Chair of Trustees

Date: 21/4/10

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 2009 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 disclosures 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 2009, 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.

Ian Walsh - Senior Statutory Auditor
for and on behalf of
RSM Tenon Audit Limited
Statutory Auditor

RSM Tenon Audit Ltd

3 Hollinswood Court
Stafford Park 1
Telford
Shropshire TF3 3DE

7 May 2010

HOPE HOUSE CHILDREN'S HOSPICES
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
for the year ended 31 December 2009

	Note	Unrestricted Funds General Funds £	Designated Funds £	Restricted Funds £	Total 2009 £	Total 2008 £
INCOMING RESOURCES						
Incoming resources from generated funds						
Voluntary income	4	3,990,477	-	-	3,990,477	3,942,597
Activities for generating funds						
- incoming resources from subsidiaries trading activities	3	1,588,228	-	-	1,588,228	1,446,159
Investment Income	5	88,998	-	-	88,998	183,916
Incoming resources from charitable activities	6	168,298	-	853,557	1,021,855	482,841
TOTAL INCOMING RESOURCES		<u>5,836,001</u>	<u>-</u>	<u>853,557</u>	<u>6,689,558</u>	<u>6,055,513</u>
RESOURCES EXPENDED						
Costs of generating funds						
Costs of generating voluntary income						
Fundraising trading						
- appeals department	7	625,294	-	-	625,294	552,345
- subsidiaries trading activities	3	1,174,359	-	-	1,174,359	1,106,042
Charitable activities						
- cost of activities in furtherance of the charity's objects	7	2,934,693	15,800	853,557	3,804,050	3,482,721
Governance costs						
- management and administration	8	46,979	-	-	46,979	40,670
Other resources expended						
Taxation	11	-	-	-	-	234
TOTAL RESOURCES EXPENDED		<u>4,781,325</u>	<u>15,800</u>	<u>853,557</u>	<u>5,650,682</u>	<u>5,182,012</u>
NET INCOMING RESOURCES BEFORE TRANSFERS		<u>1,054,676</u>	<u>(15,800)</u>	<u>-</u>	<u>1,038,876</u>	<u>873,501</u>
GROSS TRANSFERS BETWEEN FUNDS	19	<u>(15,800)</u>	<u>15,800</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET INCOMING RESOURCES BEFORE OTHER RECOGNISED GAINS AND LOSSES		<u>1,038,876</u>	<u>-</u>	<u>-</u>	<u>1,038,876</u>	<u>873,501</u>
OTHER RECOGNISED GAINS AND LOSSES						
Gains/(losses) on investment assets	10	37,770	-	-	37,770	(14,698)
NET MOVEMENTS IN FUNDS		<u>1,076,646</u>	<u>-</u>	<u>-</u>	<u>1,076,646</u>	<u>858,803</u>
RECONCILIATION OF FUNDS						
Total Funds brought forward		8,340,856	2,000,000	-	10,340,856	9,482,053
TOTAL FUNDS CARRIED FORWARD	19	<u>9,417,502</u>	<u>2,000,000</u>	<u>-</u>	<u>11,417,502</u>	<u>10,340,856</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 2009

	Note	Unrestricted Funds General Funds £	Designated Funds £	Restricted Funds £	Total 2009 £	Total 2008 £
INCOMING RESOURCES						
Incoming resources from generated funds						
Voluntary income	4	3,990,477	-	-	3,990,477	3,942,597
Investment Income	5	93,309	-	-	93,309	188,929
Income from subsidiaries	4	409,558	-	-	409,558	334,870
Incoming resources from charitable activities	6	168,298	-	853,557	1,021,855	482,841
TOTAL INCOMING RESOURCES		<u>4,661,642</u>	<u>-</u>	<u>853,557</u>	<u>5,515,199</u>	<u>4,949,237</u>
RESOURCES EXPENDED						
Costs of generating funds						
Costs of generating voluntary income						
Fundraising trading other costs	7	625,294	-	-	625,294	552,345
Charitable activities						
- cost of activities in furtherance of the charity's objects	7	2,934,693	15,800	853,557	3,804,050	3,482,721
Governance costs						
- management and administration	8	46,979	-	-	46,979	40,670
TOTAL RESOURCES EXPENDED		<u>3,606,966</u>	<u>15,800</u>	<u>853,557</u>	<u>4,476,323</u>	<u>4,075,736</u>
NET INCOMING RESOURCES BEFORE TRANSFERS		1,054,676	(15,800)	-	1,038,876	873,501
GROSS TRANSFERS BETWEEN FUNDS	19	(15,800)	15,800	-	-	-
NET INCOMING RESOURCES BEFORE OTHER RECOGNISED GAINS AND LOSSES		1,038,876	-	-	1,038,876	873,501
OTHER RECOGNISED GAINS AND LOSSES						
Gains/(losses) on investment assets	14	37,770	-	-	37,770	(14,698)
NET MOVEMENTS IN FUNDS		<u>1,076,646</u>	<u>-</u>	<u>-</u>	<u>1,076,646</u>	<u>858,803</u>
RECONCILIATION OF FUNDS						
Total Funds brought forward		8,320,941	2,000,000	-	10,320,941	9,462,138
TOTAL FUNDS CARRIED FORWARD	19	<u>9,397,587</u>	<u>2,000,000</u>	<u>-</u>	<u>11,397,587</u>	<u>10,320,941</u>

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 2009

	Total Funds	
	2009	2008
	£	£
Gross income of continuing operations	6,689,558	6,055,513
Total expenditure of continuing operations	<u>(5,650,682)</u>	<u>(5,181,778)</u>
Surplus on continuing operations for the year before taxation and transfers	1,038,876	873,735
Profit / (Loss) on the revaluation of investments	37,770	(14,698)
Taxation	-	(234)
	<u><u>1,076,646</u></u>	<u><u>858,803</u></u>

- Gross income from continuing activities is derived from £5,836,000 unrestricted funds and £853,557 restricted funds

- Of total expenditure, £4,781,324 relates to unrestricted funds, £15,800 relates to designated funds and £853,557 relates to restricted funds

- The net surplus for the year before taxation and transfers consists of £1,054,676 unrestricted funds and a deficit of £15,800 designated 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 and group

HOPE HOUSE CHILDREN'S HOSPICES

(Registration number: 2588103)

GROUP BALANCE SHEET

at 31 December 2009

		2009		2008	
	Notes	£	£	£	£
FIXED ASSETS					
Tangible assets	12	4,660,202		4,462,813	
Investments	14	<u>6,258,854</u>		<u>5,235,511</u>	
TOTAL FIXED ASSETS			10,919,056		9,698,324
CURRENT ASSETS					
Stock	15	25,504		23,557	
Debtors	16	82,683		90,489	
Cash at bank and in hand		<u>464,443</u>		<u>656,433</u>	
TOTAL CURRENT ASSETS		572,630		770,479	
LIABILITIES					
Creditors. Amounts falling due within one year	17	<u>(74,184)</u>		<u>(127,947)</u>	
NET CURRENT ASSETS			498,446		642,532
NET ASSETS			<u>11,417,502</u>		<u>10,340,856</u>
THE FUNDS OF THE CHARITY					
Restricted funds	19		-		-
Unrestricted funds					
General funds	19		9,397,587		8,320,941
Designated funds	19		2,000,000		2,000,000
Non-charitable trading funds	19		<u>19,915</u>		<u>19,915</u>
TOTAL UNRESTRICTED FUNDS			<u>11,417,502</u>		<u>10,340,856</u>
TOTAL CHARITY FUNDS			<u>11,417,502</u>		<u>10,340,856</u>

Approved by the board on 21 April 2010 and signed on its behalf by -



Barbara J. Evans MA MBA

Chair

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

HOPE HOUSE CHILDREN'S HOSPICES

(Registration number: 2588103)

BALANCE SHEET

at 31 December 2009

		2009		2008	
	Notes	£	£	£	£
FIXED ASSETS					
Tangible assets	13	4,492,059		4,337,781	
Investments	14	<u>6,258,858</u>		<u>5,235,515</u>	
TOTAL FIXED ASSETS			10,750,917		9,573,296
CURRENT ASSETS					
Stock	15	-		-	
Debtors	16	447,965		392,745	
Cash at bank and in hand		<u>213,087</u>		<u>425,835</u>	
TOTAL CURRENT ASSETS		661,052		818,580	
LIABILITIES					
Creditors: Amounts falling due within one year	17	<u>(14,382)</u>		<u>(70,935)</u>	
NET CURRENT ASSETS			646,670		747,645
NET ASSETS			<u>11,397,587</u>		<u>10,320,941</u>
THE FUNDS OF THE CHARITY:					
Restricted funds	19		-		-
Unrestricted funds					
General funds	19		9,397,587		8,320,941
Designated funds	19		<u>2,000,000</u>		<u>2,000,000</u>
TOTAL UNRESTRICTED FUNDS			<u>11,397,587</u>		<u>10,320,941</u>
TOTAL CHARITY FUNDS			<u>11,397,587</u>		<u>10,320,941</u>



Approved by the board on 21 April 2010 and signed on its behalf by -

Barbara J Evans MA MBA

Chair

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 2009

	2009	2008
	£	£
Net cash inflow from operating activities	1,237,219	913,313
Returns on investment		
Interest received	88,998	180,389
Taxation	-	-
Capital expenditure and financial investment		
Purchase of property, plant and equipment	(532,634)	(386,579)
Proceeds from sale of fixed assets	-	-
	(532,634)	
Financing of investments		
Purchase of new investments	(1,000,000)	(2,500,000)
Proceeds from sale of investments	14,427	626,524
	(985,573)	-
(Decrease) in cash	(191,990)	(1,166,353)
Cash at bank and in hand at 1 January 2009	656,433	1,822,786
Cash at bank and in hand at 31 December 2009	464,443	656,433
Reconciliation of operating surplus to operating cashflow:		
Net incoming resources (before revaluation gains/losses)	1,038,876	873,501
Less investment income	(88,998)	(180,389)
Operating surplus	949,878	693,112
Donated investments	-	(93,814)
Depreciation and loss on disposals	335,245	315,505
Increase in stocks	(1,947)	(6,382)
(Increase)/Decrease in debtors	7,806	(11,421)
(Decrease)/Increase in creditors	(53,763)	16,313
	1,237,219	913,313

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 2009

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 ON CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2009

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 ON CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2009

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	
	2009	2008	2009	2008
	£	£	£	£
Turnover	192,842	185,465	1,393,466	1,260,694
Cost of Sales	(66,596)	(66,387)	(57,390)	(57,948)
	<u>126,246</u>	<u>119,078</u>	<u>1,336,076</u>	<u>1,202,746</u>
Administrative expenses	(46,756)	(42,281)	(1,003,616)	(939,426)
Management charges paid to the charity	-	-	-	(50,000)
Operating profit	<u>79,490</u>	<u>76,797</u>	<u>332,460</u>	<u>213,320</u>
Rent receivable	-	-	1,920	-
Interest receivable	63	3,022	82	3,527
Interest payable to the charity	(545)	(2,035)	(3,912)	(9,527)
Net profit	<u>79,008</u>	<u>77,784</u>	<u>330,550</u>	<u>207,320</u>
Donation under Gift Aid to the charity	(79,008)	(77,784)	(330,550)	(207,086)
Taxation	-	-	-	(234)
Retained in subsidiary	<u>-</u>	<u>-</u>	<u>0</u>	<u>-</u>
Summarised trading activities	Hope House (Lottery) Ltd	Hope House (Trading) Ltd	Total 2009	Total 2008
	£	£	£	£
Incoming resources				
Turnover	192,842	1,393,466	1,586,308	1,446,159
Rent receivable	-	1,920	1,920	-
			<u>1,588,228</u>	<u>1,446,159</u>
Trading costs				
Cost of Sales	(66,596)	(57,390)	(123,986)	(124,335)
Administrative expenses	(46,756)	(1,003,616)	(1,050,372)	(981,707)
			<u>(1,174,358)</u>	<u>(1,106,042)</u>
Assets and liabilities	Hope House (Lottery) Limited		Hope House (Trading) Limited	
	2009	2008	2009	2008
	£	£	£	£
Tangible fixed assets	223	296	167,920	124,737
Current assets	137,183	132,637	188,411	203,973
Creditors Amounts falling due within one year	(132,485)	(128,012)	(341,333)	(313,712)
Net current assets/(liabilities)	<u>4,698</u>	<u>4,625</u>	<u>(152,922)</u>	<u>(109,739)</u>
Net assets	<u>4,921</u>	<u>4,921</u>	<u>14,998</u>	<u>14,998</u>
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 2009

4 INCOMING RESOURCES FROM GENERATED FUNDS

Voluntary income	Unrestricted £	Restricted £	Total 2009 £	Total 2008 £
Donations	2,248,321	-	2,248,321	2,325,760
Donated assets	-	-	-	93,814
Tax recovered - Gift Aid	48,099	-	48,099	45,286
Legacies	1,693,611	-	1,693,611	1,474,737
Other income	446	-	446	3,000
	<u>3,990,477</u>	<u>-</u>	<u>3,990,477</u>	<u>3,942,597</u>

Charity

Income from subsidiaries

Donations from subsidiaries under Gift Aid	409,558	284,870
Management charges received from subsidiaries	-	50,000
	<u>409,558</u>	<u>334,870</u>

5 INVESTMENT INCOME

	Group		Charity	
	2009 £	2008 £	2009 £	2008 £
Interest on UK Government securities	54,295	50,895	54,295	50,895
Interest on bank deposits	34,558	126,472	34,558	126,472
Interest on bank deposits - subsidiaries	145	6,549	-	-
Interest received from subsidiaries	-	-	4,456	11,562
	<u>88,998</u>	<u>183,916</u>	<u>93,309</u>	<u>188,929</u>

6 INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

Income from statutory bodies:	Unrestricted £	Restricted £	Total 2009 £	Total 2008 £
English PCT grants	118,311	147,000	265,311	55,000
English Department of Health grant towards pensions	-	31,296	31,296	31,296
Department of Health Hospice Initiative	-	300,000	300,000	297,330
Welsh LHB grants	49,987	-	49,987	49,109
Welsh Health Authority grants towards pensions	-	25,261	25,261	24,766
Welsh Assembly grant - 2008	-	175,000	175,000	25,340
Welsh Assembly grant - 2009	-	175,000	175,000	-
	<u>168,298</u>	<u>853,557</u>	<u>1,021,855</u>	<u>482,841</u>

HOPE HOUSE CHILDREN'S HOSPICES
NOTES ON CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2009

7 TOTAL RESOURCES EXPENDED

	Activities undertaken directly	Grant funding	Support costs	2009 Total	2008 Total
	£	£	£	£	£
Cost of generating funds					
Cost of generating voluntary income					
Appeals department					
Staff costs and overheads	366,707	-	109,097	475,804	402,048
Publicity materials	149,490	-	-	149,490	150,297
				<u>625,294</u>	<u>552,345</u>
Fundraising trading					
Cost of goods sold	57,390	-	-	57,390	57,948
Operating expenses	1,050,372	-	-	1,050,372	981,707
Lottery prizes paid out	66,596	-	-	66,596	66,387
				<u>1,174,358</u>	<u>1,106,042</u>
Charitable activities					
Care of children and families	2,676,885	853,557	273,608	3,804,050	3,482,721
Governance costs	38,500	-	8,479	46,979	40,670
Other resources expended					
Taxation	-	-	-	-	234
	<u>4,405,940</u>	<u>853,557</u>	<u>391,184</u>	<u>5,650,681</u>	<u>5,182,012</u>

8 SUPPORT COSTS ALLOCATION

	Finance & legal	Office management	Direct support costs	2009 Total	2008 Total
	£	£	£	£	£
Cost of generating funds					
Cost of generating voluntary income					
Appeals department					
Staff costs and overheads	-	25,989	83,108	109,097	103,551
Publicity materials	-	-	-	-	-
Fundraising trading					
Cost of goods sold	-	-	-	-	-
Operating expenses	-	-	-	-	-
Lottery prizes paid out	-	-	-	-	-
Investment management fees	-	-	-	-	-
Charitable activities					
Care of children and families	-	254,881	18,727	273,608	275,522
Governance costs	8,399	80	-	8,479	3,080
Other resources expended					
Taxation	-	-	-	-	-
	<u>8,399</u>	<u>280,950</u>	<u>101,835</u>	<u>391,184</u>	<u>382,153</u>

HOPE HOUSE CHILDREN'S HOSPICES
NOTES ON CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2009

Governance costs are made up of the following:	2009	2008
	£	£
Officers' costs - apportionment	26,241	27,596
Trustees' indemnity insurance	788	1,064
Audit fees - audit services	8,971	6,430
Audit fees - non audit services	2,500	2,500
Finance and Legal fees	8,399	3,080
Overhead expenses	80	-
	<u>46,979</u>	<u>40,670</u>

No trustee received remuneration or expenses

9 STAFF COSTS	2009	2008
	£	£
Wages and salaries	3,518,796	3,150,293
Social security costs	275,510	255,916
Pension costs	193,708	176,495
	<u>3,988,014</u>	<u>3,582,704</u>

	2009	2008
	no	no
The average number of employees, analysed by function, was		
Hospice services	102	95
Fundraising and publicity	15	13
Support	9	11
	<u>126</u>	<u>119</u>
Employed by the charity	31	28
Employed by non-charitable trading subsidiaries	<u>157</u>	<u>147</u>

Numbers of staff to whom retirement benefits are accruing

Under money purchase schemes	47	46
Under NHS Pension scheme	38	38
	<u>85</u>	<u>84</u>

HOPE HOUSE CHILDREN'S HOSPICES
NOTES ON CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2009

10 NET INCOMING RESOURCES

	2009 £	2008 £
Net incoming resources for the group are stated after charging		
Depreciation	331,955	308,628
Loss on disposal of fixed assets	3,290	6,877
Directors' remuneration	-	-
Auditors' remuneration	11,471	9,450
Operating lease rentals other	54,820	52,095
	<u> </u>	<u> </u>

OTHER RECOGNISED GAINS AND LOSSES

Unrealised gains/(losses) on revaluation of investments	36,468	8,753
Realised losses on disposal of investments	1,302	(23,451)
	<u>37,770</u>	<u>(14,698)</u>

11 TAXATION

	2009 £	2008 £
UK Corporation Tax on profits for the year	-	-
Adjustments in respect of prior periods	-	234
	<u> </u>	<u> </u>

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 2009	4,490,174	281,684	1,445,430	55,005	6,272,293
Additions	190,611	-	318,134	23,889	532,634
Disposals	-	-	(55,065)	-	(55,065)
At 31 December 2009	<u>4,680,785</u>	<u>281,684</u>	<u>1,708,499</u>	<u>78,894</u>	<u>6,749,862</u>
Depreciation:					
At 1 January 2009	925,173	-	843,110	41,197	1,809,480
Charge for the year	101,212	-	227,291	3,452	331,955
Eliminated on disposals	-	-	(51,775)	-	(51,775)
At 31 December 2009	<u>1,026,385</u>	<u>-</u>	<u>1,018,626</u>	<u>44,649</u>	<u>2,089,660</u>
Net book value					
At 31 December 2009	<u>3,654,400</u>	<u>281,684</u>	<u>689,873</u>	<u>34,245</u>	<u>4,660,202</u>
At 31 December 2008	<u>3,565,001</u>	<u>281,684</u>	<u>602,320</u>	<u>13,808</u>	<u>4,462,813</u>

HOPE HOUSE CHILDREN'S HOSPICES
NOTES ON CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2009

13 TANGIBLE FIXED ASSETS - HOSPICE

	Freehold Land & Buildings	Investment Property	Plant Machinery Fixtures & Fittings	Motor Vehicles	Total
	£	£	£	£	£
Cost					
At 1 January 2009	4,490,174	281,684	1,114,010	55,005	5,940,873
Additions	190,611	-	220,398	23,889	434,898
Disposals	-	-	(39,689)	-	(39,689)
At 31 December 2009	<u>4,680,785</u>	<u>281,684</u>	<u>1,294,719</u>	<u>78,894</u>	<u>6,336,082</u>
Depreciation					
At 1 January 2009	925,173	-	636,722	41,197	1,603,092
Charge for the year	101,212	-	173,745	3,452	278,409
Eliminated on disposals	-	-	(37,479)	-	(37,479)
At 31 December 2009	<u>1,026,385</u>	<u>-</u>	<u>772,989</u>	<u>44,649</u>	<u>1,844,023</u>
Net book value					
At 31 December 2009	<u>3,654,400</u>	<u>281,684</u>	<u>521,730</u>	<u>34,245</u>	<u>4,492,059</u>
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>

The investment property relates to a shop in Crewe which is being rented by Hope House (Trading) Limited. During the previous 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	Investment in subsidiaries	Company	Total
	£	£	£	£
At 1 January 2009	5,235,511	4	5,235,511	5,235,515
Additions in the year	1,000,000	-	1,000,000	1,000,000
Disposals in the year	(13,125)	-	(13,125)	(13,125)
Revaluations in the year	36,468	-	36,468	36,468
At 31 December 2009	<u>6,258,854</u>	<u>4</u>	<u>6,258,854</u>	<u>6,258,858</u>
Historical cost	<u>6,201,740</u>	<u>4</u>	<u>6,201,740</u>	<u>6,201,744</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 2009

14 INVESTMENTS (CONTINUED)

Assets comprising more than 5% of the fund total are -	£	%
HSBC Treasury	3,500,000	55.9%
AIB (GB)	1,000,000	16.0%
Chase de Vere Protected Portfolio Plan	748,936	12.0%
Aria Global Property Tracker+	400,000	6.4%

15 STOCKS

	Group		Company	
	2009	2008	2009	2008
	£	£	£	£
Goods for resale	<u>25,504</u>	<u>23,557</u>	<u>-</u>	<u>-</u>

16 DEBTORS AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2009	2008	2009	2008
	£	£	£	£
Amounts due from Hope Hospice (Trading) Limited	-	-	334,462	266,613
Amounts due from Hope Hospice (Lottery) Limited	-	-	79,553	79,819
Prepayments	<u>82,683</u>	<u>90,489</u>	<u>33,950</u>	<u>46,313</u>
	<u>82,683</u>	<u>90,489</u>	<u>447,965</u>	<u>392,745</u>

17 CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2009	2008	2009	2008
	£	£	£	£
Trade creditors	6,616	5,277	6,605	5,277
Accruals and deferred income	<u>67,568</u>	<u>122,670</u>	<u>7,777</u>	<u>65,658</u>
	<u>74,184</u>	<u>127,947</u>	<u>14,382</u>	<u>70,935</u>

HOPE HOUSE CHILDREN'S HOSPICES
NOTES ON CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2009

18 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Restricted Funds	Designated Funds	General Funds	Non Charitable Funds	Total Funds
	£	£	£	£	£
Tangible fixed assets	-	-	4,492,059	168,143	4,660,202
Investments	-	-	6,258,854	-	6,258,854
Cash at bank and in hand	-	2,000,000	(1,786,913)	251,356	464,443
Other net current assets/(liabilities)	-	-	433,587	(399,584)	34,003
	-	2,000,000	9,397,587	19,915	11,417,502

19 MOVEMENT IN FUNDS

	At 1 January 2009 £	Incoming resources £	Outgoing resources £	Transfers £	At 31 December 2009 £
Restricted funds					
English PCT grant	-	147,000	(147,000)	-	-
English Department of Health grant towards pensions	-	31,296	(31,296)	-	-
Department of Health Hospice Initiative	-	300,000	(300,000)	-	-
Welsh Assembly grant towards pensions	-	25,261	(25,261)	-	-
Welsh Assembly grant	-	350,000	(350,000)	-	-
Total restricted funds	-	853,557	(853,557)	-	-
Unrestricted funds					
Designated workforce management fund	250,000	-	(15,800)	15,800	250,000
Designated capital development fund	1,750,000	-	-	-	1,750,000
	2,000,000	-	(15,800)	15,800	2,000,000
General funds	8,320,941	4,247,628	(3,155,182)	(15,800)	9,397,587
Non charitable trading funds	19,915	1,588,373	(1,588,373)	-	19,915
Total unrestricted funds	10,340,856	5,836,001	(4,759,355)	-	11,417,502

20 RESTRICTED FUNDS

The Welsh Assembly Government awarded the Hospice a grant in 2009 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 2009 towards the pension costs of care staff

The Department of Health awarded the Hospice a grant in 2009 to fund care for children in England

All English PCT's, with the exception of East & Central Cheshire, awarded the Hospice grants in 2009 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 ON CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2009

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 2009 was £330,550 (2008: £207,086) for Hope House (Trading) Limited and £79,008 (2008: £77,784) 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 2009 was £Nil (2008: £50,000).

At the balance sheet date, Hope House (Trading) Limited owed the charity £334,462 (2008: £266,613). 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 £3,912 (2008: £9,527).

At the balance sheet date, Hope House (Lottery) Limited owed the charity £79,553 (2008: £79,819), interest of £545 (2008: £2,035) was charged during the year and the charity owed the company £2 (2008: £2). No interest has been charged on this amount outstanding.

25 CAPITAL COMMITMENTS

At the year end, lease agreements had been entered into for new shops in Oswestry and Nantwich. These lease agreements have been capitalised at the year end, however none of the associated refurbishment costs relating to these premises had been incurred by the year end. Subsequent to the year end, an approximate further £37,000 has been spent on the Nantwich shop which is now open for business, and a £40,000 limit has been set for the refurbishment of the Oswestry shop.

26 OPERATING LEASE COMMITMENTS

At 31 December 2009, the group had annual commitments under non-cancellable operating leases as follows:

Expiry Date	Group		Company	
	2009	2008	2009	2008
	£	£	£	£
Within one year	17,464	8,819	15,584	8,819
Between two and five years	49,535	70,791	35,144	53,178
	<u> </u>	<u> </u>	<u> </u>	<u> </u>