

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

for the year ended 31 December 2010

Charity number 1003859

Company number 2588103

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HOPE HOUSE CHILDREN'S HOSPICES

A registered charity 1003859

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

for the year ended 31 December 2010

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HOPE HOUSE CHILDREN'S HOSPICES

A registered charity 1003859

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

for the year ended 31 December 2010

The Trustees are pleased to present their report together with the financial statements of the charity and group for the year ended 31st December 2010

REFERENCE AND ADMINISTRATIVE DETAILS

Trustees and directors

Chair	Barbara Evans MA, MBA	Retired 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 (resigned 22/09/2010) Dr Philip Minchom MB, ChB, FRCP, FRCPCH Prabhjit Kaur Chana Gwyn Bartley Meinir Wigley	Charity General Manager Retired GP District Judge Company Director Medical Practitioner Training Consultant Retired Solicitor Marketing Executive
Secretary	Gwyn Bartley (appointed 22/09/2010) David Featherstone MBA (resigned 22/09/2010)	
CEO	David Featherstone MBA	

Registered Office

Nant Lane
Morda
Oswestry
Shropshire
SY10 9BX

Bankers

HSBC Bank plc
The Cross
Oswestry
Shropshire
SY11 2SR

Auditors

RSM Tenon Audit Limited
3 Hollinswood Court
Stafford Park 1
Shropshire
Telford
TF3 3DE

Solicitors

Howell Jones and Company
36 Station Road
Llanrwst
Conwy
LL26 0DA

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

OUR AIMS, OBJECTIVES AND ACTIVITIES

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

The aims, objectives and activities of the company remain

- 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
- 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
- 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 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 of Independent Healthcare for 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 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"

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

During the year Hope House Children's Hospices provided care and support for over 477 children and families, in addition to the traditional provision of palliative care, bereavement and post bereavement support and counselling is increasingly being provided, particularly in Shropshire, taking this into account the usage by area of dwelling of all services is now

	2010	2009
Shropshire	45%	43%
Cheshire	7%	7%
Other areas of England	6%	6%
North Wales	31%	33%
Mid Wales	11%	11%

In addition to provision at Tŷ Gobaith, Hope House in Oswestry serves Welsh children from Powys, Wrexham and Flintshire. Consequently the total amount of in-house respite care given to children differs significantly from the overall utilisation of the service with 52% of bed/nights going to Welsh children

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 was made on the Sunstone Centre, a specialist counselling centre on land adjoining Hope House in Oswestry. Funds were designated in previous years for this purpose and, 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. The project remains on target for delivery within budget during June 2011.

Bed occupancy figures at the Hospices during 2010 were as follows

Hope House	79%
Tŷ Gobaith	84%

Hope House encountered serious problems recruiting sufficient qualified nurses during 2010 but it is confidently anticipated the bed occupancy figures will increase in 2011 as the effects of staff recruitment to cover sickness and other absence takes effect.

A small external extension at Tŷ Gobaith, Conwy, was completed during 2010 and will enable space within the main hospice building to be adapted during 2011 to increase provision for young adults. This is particularly important now that our registration allows us to care for young people up to 25 years when appropriate.

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.

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

FINANCIAL REVIEW**Statutory Income**

Statutory income during the period was in line with expectations at £748,409, amounting to 18% of total expenditure on care, with £497,659 coming from England and £250,750 from Wales

In England income from this sector is uncertain beyond 2011 with the central grant to Children's Hospices from the Department of Health due to end during 2011. The effect of the replacement of Primary Care Trusts by GP consortia is as yet unknown and a statement from the Government with regard to the future funding of palliative care is awaited.

In Wales, the situation is a little more certain until 2012 with no indication that the current level of funding by The Welsh Assembly Government and 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. Legacy income was down on previous years, although still a significant sum, resulting in a fall in total income compared to previous years despite other income streams performing very well. Legacies are continually promoted but by their very nature are subject to significant fluctuation from year to year.

Lottery

Membership of the Lottery grew significantly in the last quarter of the year thanks to a decision to allocate funds to a third party recruitment agency paid on results, a budget has been made available to continue the exercise into 2011.

Trading

The Trading division continued to perform well, two shops were relocated during the year (Oswestry and Nantwich), with the Oswestry shop being large enough to develop a successful second hand furniture sales area. 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 primarily managed by a Specialist Sub Committee of the Board of Trustees, who make recommendations to the Main Board on suitable 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

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

Investments - continued

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

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 during a period of ill health or other exceptional circumstances. Payments from this fund are only considered in cases where benefit to both the employee and the organisation can be demonstrated. The Trustees remain convinced 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 2010 a payment of £16,600 was made from the fund to meet the salary of a senior member of staff suffering from a life threatening illness.

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 £4.8 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 £6.3 million (£5.3 million undesignated).

HOPE HOUSE CHILDREN'S HOSPICES

REPORT OF THE TRUSTEES (continued)

Review of previous years objectives

The significant objectives set down by the Trustees for 2010 were

- *To improve bed occupancy rates to 90% plus by continuing to strengthen the care team* Failure to recruit sufficient qualified staff to fill all vacancies early in the year despite several rounds of advertising meant that this was not achieved, however additional staff were successfully recruited in the last quarter and the target should be met early in 2011
- *To construct an extension to the outbuildings at Tŷ Gobaith to facilitate the care of young adults up to the age of 25* Achieved building completed
- *To commence construction of a specially designed Counselling Centre and Staff Training Room on a site purchased for this purpose during 2009* Work commenced in July 2010 and is on target for completion by June 2011
- *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* Due to illness amongst the Senior Management Team the review was not fully completed by the end of 2010 but will now be undertaken by the new CEO in consultation with the Senior Management Team

Plans for Future Periods - Objectives for 2011

- To develop new income streams to help mitigate potential reduction in Statutory funding
- To convert new rooms within Tŷ Gobaith for the use of young adults following the relocation of offices and training rooms to a new extension
- To finish construction and fit out a new counselling building at Hope House to be called the Sunstone Centre
- To complete the review of financial policies and procedures commenced in 2010
- To review and revise the operational guidance for Trustees to support the recruitment of new Trustees during 2011

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 2011 Annual General Meeting the following Trustees will retire, and being eligible, will offer themselves for re-election

Gwyn Bartley
Meinir Wigley
Janette Welch

The 2011 AGM will be held at Tŷ Gobaith on Wednesday 28th 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 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.

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

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

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.

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

20th April 2011

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 2010 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 2010, 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

25 May 2011

RSM Tenon Audit Ltd

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 2010

	Note	Unrestricted Funds General Funds £	Designated Funds £	Restricted Funds £	Total 2010 £	Total 2009 £
INCOMING RESOURCES						
Incoming resources from generated funds						
Voluntary income	4	3,272,898	-	-	3,272,898	3,990,477
Activities for generating funds						
- incoming resources from subsidiaries trading activities	3	1,679,376	-	-	1,679,376	1,588,228
Investment Income	5	86,514	-	-	86,514	88,998
Incoming resources from charitable activities	6	-	-	748,409	748,409	1,021,855
TOTAL INCOMING RESOURCES		5,038,788	-	748,409	5,787,197	6,689,558
RESOURCES EXPENDED						
Costs of generating funds						
Costs of generating voluntary income						
Fundraising trading						
- appeals department	7	682,607	-	-	682,607	625,294
- subsidiaries trading activities	3	1,289,201	-	-	1,289,201	1,174,359
Charitable activities						
- cost of activities in furtherance of the charity's objects	7	3,226,779	16,600	748,409	3,991,788	3,804,050
Governance costs						
- management and administration	8	42,891	-	-	42,891	46,979
Other resources expended						
Taxation	11	-	-	-	-	-
TOTAL RESOURCES EXPENDED		5,241,478	16,600	748,409	6,006,487	5,650,682
NET INCOMING RESOURCES BEFORE TRANSFERS		(202,690)	(16,600)	-	(219,290)	1,038,876
GROSS TRANSFERS BETWEEN FUNDS	19	983,400	(983,400)	-	-	-
NET INCOMING RESOURCES BEFORE OTHER RECOGNISED GAINS AND LOSSES		780,710	(1,000,000)	-	(219,290)	1,038,876
OTHER RECOGNISED GAINS AND LOSSES						
Gains/(losses) on investment assets	10	64,957	-	-	64,957	37,770
NET MOVEMENTS IN FUNDS		845,667	(1,000,000)	-	(154,333)	1,076,646
RECONCILIATION OF FUNDS						
Total Funds brought forward		9,417,502	2,000,000	-	11,417,502	10,340,856
TOTAL FUNDS CARRIED FORWARD	19	10,263,169	1,000,000	-	11,263,169	11,417,502

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 2010

	Note	Unrestricted Funds General Funds £	Designated Funds £	Restricted Funds £	Total 2010 £	Total 2009 £
INCOMING RESOURCES						
Incoming resources from generated funds.						
Voluntary income	4	3,272,898	-	-	3,272,898	3,990,477
Investment Income	5	92,621	-	-	92,621	93,309
Income from subsidiaries	4	384,068	-	-	384,068	409,558
Incoming resources from charitable activities	6	-	-	748,409	748,409	1,021,855
TOTAL INCOMING RESOURCES		<u>3,749,587</u>	<u>-</u>	<u>748,409</u>	<u>4,497,996</u>	<u>5,515,199</u>
RESOURCES EXPENDED						
Costs of generating funds						
Costs of generating voluntary income						
Fundraising trading other costs	7	682,607	-	-	682,607	625,294
Charitable activities						
- cost of activities in furtherance of the charity's objects	7	3,226,779	16,600	748,409	3,991,788	3,804,050
Governance costs						
- management and administration	8	42,891	-	-	42,891	46,979
TOTAL RESOURCES EXPENDED		<u>3,952,277</u>	<u>16,600</u>	<u>748,409</u>	<u>4,717,286</u>	<u>4,476,323</u>
NET INCOMING RESOURCES BEFORE TRANSFERS		(202,690)	(16,600)	-	(219,290)	1,038,876
GROSS TRANSFERS BETWEEN FUNDS	19	983,400	(983,400)	-	-	-
NET INCOMING RESOURCES BEFORE OTHER RECOGNISED GAINS AND LOSSES		780,710	(1,000,000)	-	(219,290)	1,038,876
OTHER RECOGNISED GAINS AND LOSSES						
Gains/(losses) on investment assets	14	64,957	-	-	64,957	37,770
NET MOVEMENTS IN FUNDS		<u>845,667</u>	<u>(1,000,000)</u>	<u>-</u>	<u>(154,333)</u>	<u>1,076,646</u>
RECONCILIATION OF FUNDS						
Total Funds brought forward		9,397,587	2,000,000	-	11,397,587	10,320,941
TOTAL FUNDS CARRIED FORWARD	19	<u>10,243,254</u>	<u>1,000,000</u>	<u>-</u>	<u>11,243,254</u>	<u>11,397,587</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 2010

	Total Funds	
	2010	2009
	£	£
Gross income of continuing operations	5,787,197	6,689,558
Total expenditure of continuing operations	<u>(6,006,487)</u>	<u>(5,650,682)</u>
(Deficit)/Surplus on continuing operations for the year before taxation and transfers	(219,290)	1,038,876
Profit / (Loss) on the revaluation of investments	64,957	37,770
Taxation	-	-
	<u><u>(154,333)</u></u>	<u><u>1,076,646</u></u>

- Gross income from continuing activities is derived from £5,038,788 unrestricted funds and £748,409 restricted funds

- Of total expenditure, £5,241,478 relates to unrestricted funds, £16,600 relates to designated funds and £748,409 relates to restricted funds

- The net deficit for the year before taxation and transfers consists of £202,690 unrestricted funds and of £16,600 designated funds

The summary income and expenditure account is derived from the Consolidated Statement of Financial Activities on page 10 which, together with the notes on pages 16 to 26, 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 2010

		2010		2009	
	Notes	£	£	£	£
FIXED ASSETS					
Tangible assets	12	5,491,205		4,660,202	
Investments	14	<u>3,910,591</u>		<u>6,258,854</u>	
TOTAL FIXED ASSETS			9,401,796		10,919,056
CURRENT ASSETS					
Stock	15	26,700		25,504	
Debtors	16	119,071		82,683	
Cash at bank and in hand		<u>1,969,501</u>		<u>464,443</u>	
TOTAL CURRENT ASSETS		2,115,272		572,630	
LIABILITIES					
Creditors: Amounts falling due within one year	17	<u>(253,899)</u>		<u>(74,184)</u>	
NET CURRENT ASSETS			1,861,373		498,446
NET ASSETS			<u>11,263,169</u>		<u>11,417,502</u>
THE FUNDS OF THE CHARITY:					
Restricted funds	19		-		-
Unrestricted funds					
General funds	19		10,243,254		9,397,587
Designated funds	19		1,000,000		2,000,000
Non-charitable trading funds	19		<u>19,915</u>		<u>19,915</u>
TOTAL UNRESTRICTED FUNDS			<u>11,263,169</u>		<u>11,417,502</u>
TOTAL CHARITY FUNDS			<u>11,263,169</u>		<u>11,417,502</u>

Approved by the board on 20/04/11 and signed on its behalf by -



Barbara J. Evans MA MBA

Chair

The notes on pages 16 to 26 form part of these accounts

HOPE HOUSE CHILDREN'S HOSPICES

(Registration number: 2588103)

BALANCE SHEET

at 31 December 2010

		2010		2009	
	Notes	£	£	£	£
FIXED ASSETS					
Tangible assets	13	5,289,152		4,492,059	
Investments	14	<u>3,910,595</u>		<u>6,258,858</u>	
TOTAL FIXED ASSETS			9,199,747		10,750,917
CURRENT ASSETS					
Stock	15	-		-	
Debtors	16	488,978		447,965	
Cash at bank and in hand		<u>1,705,776</u>		<u>213,087</u>	
TOTAL CURRENT ASSETS		2,194,754		661,052	
LIABILITIES					
Creditors: Amounts falling due within one year	17	<u>(151,247)</u>		<u>(14,382)</u>	
NET CURRENT ASSETS			<u>2,043,507</u>		<u>646,670</u>
NET ASSETS			<u>11,243,254</u>		<u>11,397,587</u>
THE FUNDS OF THE CHARITY:					
Restricted funds	19		-		-
Unrestricted funds					
General funds	19		10,243,254		9,397,587
Designated funds	19		<u>1,000,000</u>		<u>2,000,000</u>
TOTAL UNRESTRICTED FUNDS			<u>11,243,254</u>		<u>11,397,587</u>
TOTAL CHARITY FUNDS			<u>11,243,254</u>		<u>11,397,587</u>

Approved by the board on 20/04/11 and signed on its behalf by -



Barbara J Evans MA MBA

Chair

The notes on pages 16 to 26 form part of these accounts

HOPE HOUSE CHILDREN'S HOSPICES
CONSOLIDATED CASHFLOW STATEMENT
for the year ended 31 December 2010

	2010	2009
	£	£
Net cash inflow from operating activities	100,926	1,237,219
Returns on investment		
Interest received	86,514	88,998
Taxation	-	-
Capital expenditure and financial investment		
Purchase of property, plant and equipment	(1,182,382)	(532,634)
Proceeds from sale of fixed assets	-	-
	(1,182,382)	
Financing of investments		
Purchase of new investments	(1,000,000)	(1,000,000)
Proceeds from sale of investments	3,500,000	14,427
	2,500,000	-
Increase/(Decrease) in cash	1,505,058	(191,990)
Cash at bank and in hand at 1 January 2010	464,443	656,433
Cash at bank and in hand at 31 December 2010	1,969,501	464,443
Reconciliation of operating surplus to operating cashflow:		
Net incoming resources (before revaluation gains/losses)	(219,290)	1,038,876
Less investment income	(86,514)	(88,998)
Operating surplus	(305,804)	949,878
Donated investments	(86,780)	-
Depreciation and loss on disposals	351,379	335,245
Increase in stocks	(1,196)	(1,947)
(Increase)/Decrease in debtors	(36,388)	7,806
(Decrease)/Increase in creditors	179,715	(53,763)
	100,926	1,237,219

The notes on pages 16 to 26 form part of these accounts

HOPE HOUSE CHILDREN'S HOSPICES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2010

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 2010

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 2010

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	
	2010	2009	2010	2009
	£	£	£	£
Turnover	233,566	192,842	1,443,890	1,393,466
Cost of Sales	(82,670)	(66,597)	(77,109)	(57,390)
	150,896	126,245	1,366,781	1,336,076
Administrative expenses	(57,810)	(46,756)	(1,071,612)	(1,003,616)
Management charges paid to the charity	-	-	-	-
Operating profit	93,086	79,489	295,169	332,460
Rent receivable	-	-	1,920	1,920
Interest receivable	65	63	67	82
Interest payable to the charity	(458)	(544)	(5,781)	(3,912)
Net profit	92,693	79,008	291,375	330,550
Donation under Gift Aid to the charity	(92,693)	(79,008)	(291,375)	(330,550)
Taxation	-	-	-	-
Retained in subsidiary	-	-	-	-
Summarised trading activities	Hope House (Lottery) Ltd	Hope House (Trading) Ltd	Total 2010	Total 2009
	£	£	£	£
Incoming resources				
Turnover	233,566	1,443,890	1,677,456	1,586,308
Rent receivable	-	1,920	1,920	1,920
			1,679,376	1,588,228
Trading costs				
Cost of Sales	(82,670)	(77,109)	(159,779)	(123,987)
Administrative expenses	(57,810)	(1,071,612)	(1,129,422)	(1,050,372)
			(1,289,201)	(1,174,359)
Assets and liabilities	Hope House (Lottery) Limited		Hope House (Trading) Limited	
	2010	2009	2010	2009
	£	£	£	£
Tangible fixed assets	167	223	201,884	167,920
Current assets	150,715	137,183	195,566	188,411
Creditors: Amounts falling due within one year	(145,961)	(132,485)	(382,452)	(341,333)
Net current assets/(liabilities)	4,754	4,698	(186,886)	(152,922)
Net assets	4,921	4,921	14,998	14,998
Share capital	2	2	2	2
Reserves	4,919	4,919	14,996	14,996
	4,921	4,921	14,998	14,998

HOPE HOUSE CHILDREN'S HOSPICES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2010

4 INCOMING RESOURCES FROM GENERATED FUNDS

Voluntary income	Unrestricted £	Restricted £	Total 2010 £	Total 2009 £
Donations	2,179,686	-	2,179,686	2,248,321
Donated investments	86,780	-	86,780	-
Tax recovered - Gift Aid	58,944	-	58,944	48,099
Legacies	940,346	-	940,346	1,693,611
Other income	7,142	-	7,142	446
	<u>3,272,898</u>	<u>-</u>	<u>3,272,898</u>	<u>3,990,477</u>

Charity**Income from subsidiaries**

Donations from subsidiaries under Gift Aid			384,068	409,558
Management charges received from subsidiaries			-	-
			<u>384,068</u>	<u>409,558</u>

5 INVESTMENT INCOME

	Group		Charity	
	2010 £	2009 £	2010 £	2009 £
Interest on UK Government securities	32,673	54,295	32,673	54,295
Interest on bank deposits	53,709	34,558	53,709	34,558
Interest on bank deposits - subsidiaries	132	145	-	-
Interest received from subsidiaries	-	-	6,239	4,456
	<u>86,514</u>	<u>88,998</u>	<u>92,621</u>	<u>93,309</u>

6 INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

Income from statutory bodies:	Unrestricted £	Restricted £	Total 2010 £	Total 2009 £
English PCT grants	-	163,268	163,268	265,311
English Department of Health grant towards pensions	-	31,992	31,992	31,296
Department of Health Hospice Initiative	-	300,000	300,000	300,000
Shropshire County Council grant towards outings	-	2,399	2,399	-
Welsh LHB grants	-	50,629	50,629	49,987
Welsh Health Authority grants towards pensions	-	25,121	25,121	25,261
Welsh Assembly grant - 2008	-	-	-	175,000
Welsh Assembly grant - 2009	-	-	-	175,000
Welsh Assembly grant - 2010	-	175,000	175,000	-
	<u>-</u>	<u>748,409</u>	<u>748,409</u>	<u>1,021,855</u>

HOPE HOUSE CHILDREN'S HOSPICES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2010

7 TOTAL RESOURCES EXPENDED

	Activities undertaken directly	Grant funding	Support costs	2010 Total	2009 Total
	£	£	£	£	£
Cost of generating funds					
Cost of generating voluntary income					
Appeals department					
Staff costs and overheads	393,073	-	91,341	484,414	475,804
Publicity materials	198,193	-	-	198,193	149,490
				<u>682,607</u>	<u>625,294</u>
Fundraising trading					
Cost of goods sold	93,511	-	-	93,511	57,390
Operating expenses	1,129,422	-	-	1,129,422	1,050,372
Lottery prizes paid out	66,268	-	-	66,268	66,597
				<u>1,289,201</u>	<u>1,174,359</u>
Charitable activities					
Care of children and families	2,954,103	748,409	289,276	3,991,788	3,804,050
Governance costs	39,110	-	3,781	42,891	46,979
Other resources expended					
Taxation	-	-	-	-	-
	<u>4,873,680</u>	<u>748,409</u>	<u>384,398</u>	<u>6,006,487</u>	<u>5,650,682</u>

8 SUPPORT COSTS ALLOCATION

	Finance & legal	Office management	Direct support costs	2010 Total	2009 Total
	£	£	£	£	£
Cost of generating funds					
Cost of generating voluntary income					
Appeals department					
Staff costs and overheads	-	27,127	64,214	91,341	109,097
Publicity materials	-	-	-	-	-
Fundraising trading					
Cost of goods sold	-	-	-	-	-
Operating expenses	-	-	-	-	-
Lottery prizes paid out	-	-	-	-	-
Investment management fees	-	-	-	-	-
Charitable activities					
Care of children and families	-	268,414	20,862	289,276	273,608
Governance costs	3,722	59	-	3,781	8,479
Other resources expended					
Taxation	-	-	-	-	-
	<u>3,722</u>	<u>295,600</u>	<u>85,076</u>	<u>384,398</u>	<u>391,184</u>

HOPE HOUSE CHILDREN'S HOSPICES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2010

Governance costs are made up of the following:	2010	2009
	£	£
Officers' costs - apportionment	26,715	26,241
Trustees' indemnity insurance	765	788
Audit fees - audit services	9,130	8,971
Audit fees - non audit services	2,500	2,500
Finance and Legal fees	3,722	8,399
Overhead expenses	59	80
	<u>42,891</u>	<u>46,979</u>

No trustee received remuneration or expenses

9 STAFF COSTS	2010	2009
	£	£
Wages and salaries	3,686,439	3,518,796
Social security costs	308,288	275,510
Pension costs	198,569	193,708
	<u>4,193,296</u>	<u>3,988,014</u>

	2010	2009
	no	no
The average number of employees, analysed by function, was		
Hospice services	106	102
Fundraising and publicity	17	15
Support	9	9
Employed by the charity	<u>132</u>	<u>126</u>
Employed by non-charitable trading subsidiaries	29	31
	<u>161</u>	<u>157</u>

Numbers of staff to whom retirement benefits are accruing

Under money purchase schemes	42	47
Under NHS Pension scheme	42	38
	<u>84</u>	<u>85</u>

HOPE HOUSE CHILDREN'S HOSPICES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2010

10 NET INCOMING RESOURCES	2010	2009
	£	£
Net incoming resources for the group are stated after charging		
Depreciation	346,461	331,955
Loss on disposal of fixed assets	4,918	3,290
Directors' remuneration	-	-
Auditors' remuneration	11,630	11,471
Operating lease rentals other	59,550	54,820
	<u> </u>	<u> </u>
OTHER RECOGNISED GAINS AND LOSSES		
Unrealised gains/(losses) on revaluation of investments	64,957	36,468
Realised losses on disposal of investments	-	1,302
	<u>64,957</u>	<u>37,770</u>
11 TAXATION	2010	2009
	£	£
UK Corporation Tax on profits for the year	-	-
Adjustments in respect of prior periods	-	-
	<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 2010	4,680,785	281,684	1,708,499	78,894	6,749,862
Additions	944,744	-	221,484	16,154	1,182,382
Disposals	-	-	(57,308)	-	(57,308)
At 31 December 2010	<u>5,625,529</u>	<u>281,684</u>	<u>1,872,675</u>	<u>95,048</u>	<u>7,874,936</u>
Depreciation.					
At 1 January 2010	1,026,385	-	1,018,626	44,649	2,089,660
Charge for the year	106,340	-	227,521	12,600	346,461
Eliminated on disposals	-	-	(52,390)	-	(52,390)
At 31 December 2010	<u>1,132,725</u>	<u>-</u>	<u>1,193,757</u>	<u>57,249</u>	<u>2,383,731</u>
Net book value:					
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>
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>

HOPE HOUSE CHILDREN'S HOSPICES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2010

13 TANGIBLE FIXED ASSETS - HOSPICE

	Freehold Land & Buildings	Investment Property	Plant Machinery Fixtures & Fittings	Motor Vehicles	Total
	£	£	£	£	£
Cost					
At 1 January 2010	4,680,785	281,684	1,294,719	78,894	6,336,082
Additions	944,744	-	118,251	16,154	1,079,149
Disposals	-	-	(37,666)	-	(37,666)
At 31 December 2010	<u>5,625,529</u>	<u>281,684</u>	<u>1,375,304</u>	<u>95,048</u>	<u>7,377,565</u>
Depreciation					
At 1 January 2010	1,026,385	-	772,989	44,649	1,844,023
Charge for the year	106,340	-	159,826	12,600	278,766
Eliminated on disposals	-	-	(34,376)	-	(34,376)
At 31 December 2010	<u>1,132,725</u>	<u>-</u>	<u>898,439</u>	<u>57,249</u>	<u>2,088,413</u>
Net book value					
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>
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>

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		Company	
	£	Investment in subsidiaries	£	Total £
		£		
At 1 January 2010	6,258,854	4	6,258,854	6,258,858
Additions in the year	1,086,780	-	1,086,780	1,086,780
Disposals in the year	(3,500,000)	-	(3,500,000)	(3,500,000)
Revaluations in the year	64,957	-	64,957	64,957
At 31 December 2010	<u>3,910,591</u>	<u>4</u>	<u>3,910,591</u>	<u>3,910,595</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 2010

14 INVESTMENTS (CONTINUED)

Assets comprising more than 5% of the fund total are -	£	%
Yorkshire Bank	1,000,000	25.6%
AIB (GB)	1,000,000	25.6%
Chase de Vere Protected Portfolio Plan	805,840	20.6%
Aria Global Property Tracker+	400,000	10.2%

15 STOCKS

	Group		Company	
	2010	2009	2010	2009
	£	£	£	£
Goods for resale	26,700	25,504	-	-

16 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2010	2009	2010	2009
	£	£	£	£
Amounts due from Hope House (Trading) Limited	-	-	347,155	334,462
Amounts due from Hope House (Lottery) Limited	-	-	78,607	79,553
Prepayments	119,071	82,683	63,216	33,950
	<u>119,071</u>	<u>82,683</u>	<u>488,978</u>	<u>447,965</u>

17 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2010	2009	2010	2009
	£	£	£	£
Trade creditors	91,582	6,616	61,083	6,605
Social security and other taxes	95,965	-	90,897	-
Accruals and deferred income	66,352	67,568	(733)	7,777
	<u>253,899</u>	<u>74,184</u>	<u>151,247</u>	<u>14,382</u>

HOPE HOUSE CHILDREN'S HOSPICES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2010

18 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Restricted Funds	Designated Funds	General Funds	Non Charitable Funds	Total Funds
	£	£	£	£	£
Tangible fixed assets	-	-	5,289,152	202,053	5,491,205
Investments	-	-	3,910,591	-	3,910,591
Cash at bank and in hand	-	1,000,000	705,776	263,725	1,969,501
Other net current assets/(liabilities)	-	-	337,735	(445,863)	(108,128)
	-	1,000,000	10,243,254	19,915	11,263,169

19 MOVEMENT IN FUNDS

	At 1 January 2010	Incoming resources	Outgoing resources	Transfers	At 31 December 2010
	£	£	£	£	£
Restricted funds					
English PCT grant	-	163,268	(163,268)	-	-
English Department of Health grant towards pensions	-	31,992	(31,992)	-	-
Department of Health Hospice Initiative	-	300,000	(300,000)	-	-
Shropshire County Council grant towards outings	-	2,399	(2,399)	-	-
Welsh LHB grants	-	50,629	(50,629)	-	-
Welsh Assembly grant towards pensions	-	25,121	(25,121)	-	-
Welsh Assembly grant	-	175,000	(175,000)	-	-
Total restricted funds	-	748,409	(748,409)	-	-
Unrestricted funds					
Designated workforce management fund	250,000	-	(16,600)	16,600	250,000
Designated capital development fund	1,750,000	-	-	(1,000,000)	750,000
	2,000,000	-	(16,600)	(983,400)	1,000,000
General funds	9,397,587	3,359,280	(3,497,013)	983,400	10,243,254
Non charitable trading funds	19,915	1,679,508	(1,679,508)	-	19,915
Total unrestricted funds	11,417,502	5,038,788	(5,193,121)	-	11,263,169

20 RESTRICTED FUNDS

The Welsh Assembly Government awarded the Hospice a grant in 2010 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 2010 towards the pension costs of care staff

The Department of Health awarded the Hospice a grant in 2010 to fund care for children in England

All English PCT's, with the exception of East & Central Cheshire, awarded the Hospice grants in 2010 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 2010

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.

Taking account of the above factors, 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 two years to a Capital Development Fund to ensure that the current project 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

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 2010 was £291,375 (2009 £330,550) for Hope House (Trading) Limited and £92,693 (2009 £79,008) for Hope House (Lottery) Limited.

At the balance sheet date, Hope House (Trading) Limited owed the charity £347,155 (2009 £334,462). 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 £5,781 (2009 £3,912).

At the balance sheet date, Hope House (Lottery) Limited owed the charity £78,609 (2009 £79,555), interest of £458 (2009 £544) was charged during the year and the charity owed the company £2 (2009 £2). No interest has been charged on this amount outstanding.

25 CAPITAL COMMITMENTS

At the year end the Sunstone Centre, a bereavement centre for parents was still in the progress of being built. The total cost for the project is expected to be a maximum of £1,312,639 and costs to date are calculated at £747,223. The project is anticipated to complete during 2011.

26 OPERATING LEASE COMMITMENTS

At 31 December 2010, the group had annual commitments under non-cancellable operating leases as follows:

Expiry Date	Group		Company	
	2010	2009	2010	2009
	£	£	£	£
Within one year	14,626	17,464	7,647	15,584
Between two and five years	63,456	49,535	63,456	35,144