



Report and financial statements for the year ended 31st March 2020

Registered company number: 02927688

Registered charity number: 1042495

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General information

Registered Office

Shooting Star House
 The Avenue
 Hampton
 Middlesex TW12 3RA

Trustees:

Andrew Coppel CBE
 Paul Boughton

(Chair) (appointed 14th June 2019)
 (Treasurer, Chair of Finance and Resources Committee,
 Director of Shooting Star Marketing Ltd, Chase Hospice Trading Ltd and
 Tuckwell Chase Lottery Ltd)
 (Chair of Income Generation Committee)
 (Chair of Quality Governance and Risk Group)
 (Chair of Care Advisory Group)

Andrew Cosslett
 Jayne Price
 Jon Craig
 Catherine van't Riet
 Simon Barker
 Andrew Edge
 Mark Garraway
 Katherine Theobald
 Kenneth Hanna
 Jonathan Kembery

(appointed 5th April 2019) (Director of Chase Hospice Trading Ltd)
 (appointed 23rd July 2020)
 (appointed 23rd July 2020)
 (appointed 23rd July 2020)
 (resigned 24th September 2019)
 (resigned 4th June 2020)

Bankers and Professional advisors:

Auditor

Buzzacott LLP
 130 Wood Street
 London
 EC2V 6DL

Bankers

Barclays Bank PLC
 Town Gate House
 Church Street East
 Woking, Surrey GU21 6AE

Lloyds Bank PLC
 49 High Street
 Godalming
 Surrey GU7 1AT

Solicitors

Moore Barlow LLP
 The Oriel
 Sydenham Road
 Guildford
 Surrey GU1 3SR

Investment Managers

Brewin Dolphin Ltd
 12 Smithfield Streets
 London
 EC1A 9BD

The registered name of the company is Shooting Star Children's Hospices. In accordance with Section 60 of the Companies Act 2006, the company is exempt from the requirements of that Act to include "Limited" as part of its name.

Report of the Trustees for the year ended 31st March 2020

The trustees, who act as directors for the purposes of company law, present their annual report and the audited financial statements for the year ended 31st March 2020.

The accounts have been prepared in accordance with the accounting policies set out on pages 39 to 43 of the attached financial statements and comply with the Articles of Association, the Charities Act 2011, the Companies Act 2006 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102).

Objectives and activities

Purpose

The charity's purpose as set out in the Objects clause in its Articles of Association is *to promote the relief of illness by the provision of palliative care amongst young persons who are suffering from a life-limiting illness or condition.*

Objective

Shooting Star Children's Hospices aims to achieve its purpose primarily through the provision of care services to life-limited children and their families at home, in the community, and at Christopher's and Shooting Star House – our purpose-built hospices in Guildford and Hampton respectively.

Public benefit

In accordance with the requirements of the Charities Act 2011, the trustees have paid due regard to the Charity Commission's guidance on public benefit when deciding and planning Shooting Star Children's Hospices' activities. The sections which follow demonstrate how Shooting Star Children's Hospices met its charitable purpose in 2020 and its principal achievements under its respective strategic priority areas of work.

Our strategy

Our mission:

To provide high quality, safe and effective care, and further develop our service in response to evolving needs.

To achieve this we need:

- **Innovation and best practice:** To further develop our role as a key driver of innovation and best practice in children's hospice and palliative care.
- **People:** To attract, retain and develop people who have the right skill set and share our values. We want all our people – staff and volunteers – to feel valued for the work they do.
- **Income and awareness:** To generate the income and awareness we need to sustain the vital care service we provide.

Report of the Trustees for the year ended 31st March 2020 *(continued)*

Our care service

Shooting Star Children's Hospices supports babies, children and young people with life-limiting conditions, and their families, across London, Surrey and the surrounding areas.

We help families make every moment count by supporting them from diagnosis to end of life and throughout bereavement with a range of nursing, practical, emotional and medical care.

Our care service is regulated by the Care Quality Commission (CQC). We currently have a rating of Outstanding – the highest possible overall rating – at Christopher's (awarded October 2016) and a rating of Good at Shooting Star House (awarded March 2020).

During the year under review our bespoke support was free of charge to families and included:

- **A named key worker:** Caring for a life-limiting child can be daunting and physically exhausting. It can also be difficult to keep on top of things like hospital appointments. As experienced care professionals, our key workers get to know each family and develop an understanding of each child or young person's medical and individual needs. They are there to support and help families.
- **A comprehensive range of therapies and support groups for the whole family:** As well as physiotherapy and occupational therapy, we offer a range of creative and complementary therapies, counselling and support groups for the whole family including siblings' days, grandparents' days, family activities and events, pamper days and dads' days.
- **Respite at our two hospices or in the family home:** Respite provides the children and young people we support with a range of fun, sensory and therapeutic activities, while parents can enjoy family time together, or get a crucial break. Occasionally, a family may require support at short notice due to an unexpected situation. At Shooting Star Children's Hospices we pride ourselves on our flexible care and will always do our best to support a family in a crisis.
- **Symptom management:** Many of the children we support have very complex and changing symptoms, particularly at end of life. We have a Symptom Care Team, led by A K Anderson, one of the country's leading Consultants in Paediatric Palliative Medicine and a team of specialist nurses trained in symptom care, who provide expert advice, including individualised symptom care plans and emergency health care plans, to help improve the child's quality of life. The team are also part of a 24/7 telephone service, enabling families to access support wherever they are.
- **End-of-life care:** One of our fundamental aims is to provide expert nursing and medical care for children at end of life, with support for their families, in their preferred place of care.
- **Bereavement support:** Care does not stop after a child has died. We have a dedicated area at each hospice where a child can lay at rest, allowing their family to say goodbye in a familiar and supportive environment. We will also continue to provide practical and emotional support for the entire family.

We also help young people **transitioning** out of our hospice care, provide **day care**, give guidance and advice on **social support** and are able to care for children with extremely complex needs, including ventilation dependent children, who would not be able to access support elsewhere.

Report of the Trustees for the year ended 31st March 2020 *(continued)*

Strategic report

Achievements and performance

Overall 2019/20 has been another challenging year for the charity, and the wider hospice sector. It has also been a year of change.

On 4th April 2019, the charity officially changed its name from Shooting Star Chase to Shooting Star Children's Hospices to increase awareness of who we are and what we do, including those who could benefit from our care service, and to help increase our income.

Over the summer months we set about engaging with the MPs across our catchment area to raise awareness of the funding gap we were facing. In early July, thanks to the pressure applied by the children's hospice sector, NHS England announced they would ring-fence £25 million of NHS funding to support children's hospices – welcome news after no change in the grant for a number of years. Following this announcement we hosted a briefing in Parliament and urged attendees to write to the CCGs that covered their constituency, asking them to commit to contracts. We also welcomed a number of MPs to visit both Christopher's and Shooting Star House, so they could see first-hand the difference we make.

Later in the year, in November 2019, we implemented planned changes to our care service in terms of the way charitable overnight stays at the hospice and short breaks at home were allocated. These changes mean that we can deliver a much more flexible care model that is personalised to each family's needs, rather than offering a one size fits all service provision.

In the middle of March 2020, the whole organisation was forced to change the way it operated due to the onset of this worldwide COVID-19 pandemic. With social distancing and shielding guidance in place from the UK Government, we had to make some tough decisions in order to ensure the safe provision of care and the safety of staff. On Monday 23rd March, the day before the UK was placed on lockdown, we moved our in-house provision to our Guildford hospice, Christopher's, as it had the most suitable facilities to ensure infection control and decontamination, and had piped oxygen available. We also limited the care we could provide, to end-of-life care and emergency respite. Our non-care workforce moved to home-working and we closed all our charity shops on 21st March. With income generation effectively being paused, this became by far one of the most challenging and unprecedented times that we had ever faced. Although we had to work reactively in line with any changes in Government guidance, we have been doing all we can to secure the future of Shooting Star Children's Hospices.

As the pandemic set in, weekly calls and video meetings were held between 20th March and 23rd April, and thereafter every 2 weeks, with the Trustees. Regular financial updates were provided by the Chief Executive and the Director of Finance and Resources to discuss, amongst other things, cashflow, expenditure and the revised budget. The budget was reviewed and revised in April 2020 to take account of the evolving factors, including Hospice UK funding, furlough claims and the emergency appeal, which was launched on Tuesday 24th March. The approach taken in terms of the care service provided by the charity was also discussed in detail by the Care Trustees and also with the Board.

Report of the Trustees for the year ended 31st March 2020 *(continued)*

Strategic report *(continued)*

Achievements and performance *(continued)*

The steps taken by the charity to manage the impact of COVID-19 include:

- The temporary closure of our Hampton hospice, Shooting Star House, and the provision of just in-house emergency respite and end-of-life care at our Guildford hospice, Christopher's. Whilst families continue to shield, Shooting Star House will remain closed from a care perspective, but we're looking at how we can use it flexibly over the next 12 months, including moving the administrative and fundraising staff from Bridge House, the head office in Addlestone, Surrey to Shooting Star House in September.
- Furloughing approximately 85 members of staff from 1st April 2020. Some staff will remain on furlough until the scheme ends in October 2020.
- Entering into a consultation period with the employees of Shooting Star Children's Hospices to consider changes to the staffing levels required by the organisation for the next 12 months and beyond. This has resulted in the removal of c60 roles (c45 FTE) from the organisation, which represents an annual saving c£1.5m of costs.
- The temporary closure of all 13 of our charity shops as of Saturday 21st March 2020. We are opening our shops on a staggered basis, as and when it is appropriate to do so. We will continue to avail of the furlough scheme for retail staff until it ends in October.
- We have been in negotiations with all the retail landlords, requesting rent holidays and reduced rental charges. We have been able to reduce the annual retail rental charge from c£400k to £300k for the 20/21 financial year and we are continuing negotiations. We have also negotiated with the landlord to surrender the lease of Bridge House before the lease end date of July 2027, following the move of all administrative and fundraising staff to Shooting Star House. Details are included in Note 25.

The following tables show how we have progressed against our objectives to achieve our purpose and mission over the last year.

To further develop our role as a key driver of innovation and best practice in children's hospice and palliative care.

Achieve NICE Quality Standards

Plans	Achievements
Work with our partners in the Child Death Review (CDR) Programme to ensure we have a robust process compliant with CDR statutory guidance, by 29 th September 2019.	The process for Child Death Review has been reviewed and updated in line with newly published National Guidance and in conjunction with our Child Death Overview Panel (CDOP) partners.
Review our processes and compliance against the new Care Quality Commission Hospital Standards and implement any identified actions.	<p>In quarters one and two we undertook a benchmarking exercise against our compliance with the new CQC hospital standards and implemented all identified actions. We also undertook an awareness campaign with staff including workshops and screen saver views.</p> <p>Shooting Star House was inspected by CQC against the hospital standards in December 2019 and achieved an overall rating of Good; the individual domain results were: Safe – Good, Effective – Good, Caring – Good, Responsive – Good, Well led – Good</p>

Report of the Trustees for the year ended 31st March 2020 *(continued)*

Strategic report *(continued)*

Achievements and performance *(continued)*

Achieve NICE Quality Standards *(continued)*

Plans	Achievements
Engage with partners in the development of Paediatric Palliative Care Clinical Networks in London and Surrey.	<p>In April 2019 Shooting Star Children's Hospices developed and hosted the inaugural Managed Clinical Network (MCN) meeting for Children's Palliative care in the Surrey region. It was well attended by around 30 delegates, with clinicians and managers attending from across the region. The Surrey and West London MCN is now established and is developing a work plan for 2020/21.</p> <p>Shooting Star Children's Hospices has engaged with and is a regular member of the London Children's Palliative Care Network (LCPCN) and their work streams.</p>

Lead change, add value

Plans	Achievements
Deliver an additional 350 nights of respite funded care.	We achieved the delivery of 350 additional respite funded care nights.
Review and implement a model for key working at Shooting Star Children's Hospices.	A new model of key working has been implemented in tandem with the implementation of the new care model.

Learning organisation

Plans	Achievements
Implement an electronic system for recording accidents and incidents.	Shooting Star Children's Hospices is currently undertaking the implementation of the Vantage electronic incident and accident management system. This was on schedule for completion by the end of Q1 20/21 but due to the COVID-19 pandemic, this has been delayed until Q3 20/21.
Plan to begin to offer the Nurse Associate apprenticeship to our staff.	Shooting Star Children's Hospices has sponsored two staff members onto the Nursing Associate Apprenticeship during the academic year.
Explore more formal partnerships with our affiliated universities to deliver learning and development.	<p>Shooting Star Children's Hospices and Roehampton University have drafted a SLA to provide a referral pathway for Shooting Star Children's Hospices to the University of Roehampton Arts and Play therapies clinic. This will initially be over a specified timeframe of six months as a pilot project, for review in 2020.</p> <p>Shooting Star Children's Hospices bid for and has been awarded a significant grant from Burdett Trust to develop and deliver a simulation teaching programme in partnership with Kingston University.</p>

Report of the Trustees for the year ended 31st March 2020 *(continued)*

Strategic report *(continued)*

Achievements and performance *(continued)*

Enhance care through clinical informatics

Plans	Achievements
Undertake a review and update electronic care plans to reflect our new care model.	All electronic care plan templates have been reviewed and updated to improve the quality, safety and usability in line with the new care model.

Move to a responsive care model

Plans	Achievements
Complete the development of and implement the new responsive model of care which will focus our valuable resources where they are needed the most.	We successfully implemented the new responsive care model in November 2019. The change is key to improving patient experience and clinical effectiveness and uses an innovative, research based methodology for allocation of services. We have begun to see capacity freed up to enable us to be more responsive to emergency and end of life care.
Develop and implement a communication strategy for the new care model changes for families, staff and external stakeholders.	<p>A successful communication strategy was implemented to consult with and inform all stakeholders. We received positive feedback and no formal complaints, despite the extensive changes to our care provision, with most families and staff understanding the rationale for the changes. The strategy included:</p> <p>Communication with families:</p> <ul style="list-style-type: none"> • Written communication to families • Open forum with Chief Executive and Director of Care • Face-to-face or telephone contact offered to each family • Practical help offered through the change <p>Communication with staff:</p> <ul style="list-style-type: none"> • Staff and volunteer briefings by Director of Care and Heads of Care • Copies of all letters and a fact sheet with FAQ's on answering family questions sent to staff • Staff survey following implementation to measure effectiveness of communication (94% understood the reason for change) <p>Communication with external stakeholders:</p> <ul style="list-style-type: none"> • Contact by telephone and email with key or high value commissioners and frequent medical referrers • Webpages and literature updated to reflect the change

Report of the Trustees for the year ended 31st March 2020 *(continued)*

Strategic report *(continued)*

Achievements and performance *(continued)*

Move to a responsive care model *(cont'd)*

Plans	Achievements
Respond to demand by gradually increasing the level of assessed funded nights we provide to families.	Assessed nights finished the year at 101% of target and the less predictable emergency and end of life funded stays have significantly increased over the last three months of the year and finished at 68% of budget.

To attract, retain and develop people who have the right skill set and share our values. We want all our people – staff and volunteers – to feel valued for the work they do.

Improve employee engagement

Plans	Achievements
Implement the 2018/19 staff survey and volunteer survey action plans.	<p>Key areas for focus were identified through review of survey insights with the OLT, Employee Forum and Equality and Diversity Forum which included:</p> <ul style="list-style-type: none"> • Transparency of pay linked to performance • More visibility of the organisation's financial health • People management capability including impact on staff morale and lack of empowerment of staff • Staff wellbeing • Communications between OLT/OMT and teams <p>Actions taken to address the focus areas:</p> <ul style="list-style-type: none"> • The introduction of quarterly Chief Executive briefings across all locations to share financial updates and activities. These also enabled a dialogue directly with the Chief Executive and OLT. • A wellbeing group has been set up and wellbeing tips have been shared during lockdown through the Chief Executive updates. The wellbeing group will reconvene following lockdown in September • The Liberating Leadership programme for all people managers was designed in partnership with Iconis Learning and the first module was delivered just before lockdown. <p>In response to the 19/20 volunteer survey (conducted every 3 years) there has been a focus on improving the Retail experience for volunteers through shop manager awareness training and improved volunteer retail inductions.</p> <p>There has been more line manager training for volunteers across the hospices and head office to improve the volunteer experience.</p>

Report of the Trustees for the year ended 31st March 2020 *(continued)*

Strategic report *(continued)*

Achievements and performance *(continued)*

Ensure equality, diversity and core values are met

Plans	Achievements
Develop a strategy and action plan to ensure equality, diversity and our core values are at the heart of how we work.	<p><i>Staff</i></p> <p>A session on core values is now included in all inductions and good and poor examples of demonstrated core values have been shared across the organisation. There is more work to be done on living our values through our website, screen savers and signage at our locations etc.</p> <p>We plan to review the diversity profile of our families and plan events around key festivals to link hospice activities, fundraising and retail to reflect their diversity profile.</p> <p><i>Volunteers</i></p> <p>Whilst our retail volunteer team is more diverse in terms of age and ethnic origin, we need to do more to improve our diversity footprint in the hospices, head office and support of events. A number of activities have been identified, which will be progressed over the next few months to include:</p> <ul style="list-style-type: none"> • Working with our Community Fundraising team to forge links with groups that represent the diversity of our families • Nurturing diversity champions in our volunteer team • Inclusion awareness training of managers and our existing volunteers

Recruitment and retention

Plans	Achievements
Develop a strategy for 'hard to fill' roles.	This has been put 'on hold' as all recruitment activity has been suspended in recent months and a pipeline strategy for 'hard to fill' roles will be revisited going forwards
Implement an Applicant Tracking System and carry out an options appraisal of lower cost Human Resource Information Systems (HRIS).	<p>The applicant tracking system was purchased but its implementation has been 'on hold' during COVID but we will start to use as soon we start recruiting again from September 2020. This will give benefits in terms of timeliness to hire, robust candidate data and reduced administration.</p> <p>The HRIS system has been delayed due to cost but will be re-considered for FY21/22.</p>

Report of the Trustees for the year ended 31st March 2020 *(continued)*

Strategic report *(continued)*

Achievements and performance *(continued)*

Sustainability

Plans	Achievements
Raise awareness of environmental issues by launching a Sustainability group.	The Sustainability group was launched in the year. They have already started to look at recycling initiatives across the organisation including replacing plastic milk bottles with glass bottles and are investigating a Cycle to Work Scheme.

To generate the income and awareness we need to sustain the vital care service we provide

Bring the charity to a sustainable position by the end of the financial year

Plans	Achievements
Create and implement a new five-year organisational strategy in line with the existing Fundraising Strategy.	The five year plan was updated in line with the Fundraising Strategy and the overall organisational strategy was discussed by the Trustees at an away day. COVID-19 affected any further discussions on this and any strategy development will now need to be done in light of the impact of COVID-19.
Develop the marketing strategy, aligned with the fundraising strategy.	The 'fix the basics' marketing strategy developed in 2018/19 was implemented in 2019/20, focusing on building awareness and maintaining support for income generation. A full marketing strategy will be developed in line with any new organisational strategy.
Decrease our footprint at the head office in Addlestone, in order to maximise revenue from letting unused space in the building.	The head office in Addlestone has been marketed throughout the year, both by floor and in its entirety, but the rental market has been slow and there has been little interest. Following the COVID-19 pandemic, we are in discussions with the landlord about surrendering the lease, with all administrative activities being carried out from Shooting Star House and from employees' homes.
Maximise government income by lobbying MPs, engaging with Health and Wellbeing Boards and CCGs, and developing a strong business case to present to NHS England.	Over the summer months we set about engaging with the MPs across our catchment area to raise awareness of the funding gap we were facing. In early July, thanks to the pressure applied by the children's hospice sector, NHS England announced they would ring-fence £25 million of NHS funding to support children's hospices.

Report of the Trustees for the year ended 31st March 2020 *(continued)*

Strategic report *(continued)*

Achievements and performance *(continued)*

Delivering maximum possible output from our resources

Plans	Achievements
Focus on effective operational management of the team for optimal performance, supported by robust management systems and processes.	As part of Shooting Star Children's Hospices' appraisal process, the Fundraising Team has clear expectations and aligned strategic direction. The Fundraising Promise and our organisational values remain at the heart of all our decisions and plans.
Responsibly manage fundraising projects and resource investments to maximise opportunity and profitability.	<p>Our five-year income and resource plan continues to be regularly reviewed and realigned with organisational need to ensure confidence in direction.</p> <p>With the expertise of the Director of Finance, we have robust financial management processes for all expenditure and investments, to ensure we responsibly plan and deliver activity for the highest possible income return. An example this year has been the successful development of our Sunrise Walk event brand, with an additional walk in the south of our catchment area. We are proud to report that both events were a great success, exceeding their participant and financial targets. Effective monitoring and performance measures continue to enable full accountability.</p>
Work closely with and support the Executive Vice-President to optimise major giving networks and funding opportunities.	Developing key relationships and communication processes with core cross-organisational fundraising enablers has been another operational priority, with processes and protocols firmly established to enhance all ways of working. Integral support provision to the Executive Vice-President has also helped deliver key income successes, such as our annual Shooting Star Ball which raised in excess of £285k.
Collaborate resources to engage a wider target audience enabling us to explore otherwise inaccessible sources of income.	<p>A culture of collaboration has been a core priority to maximise each and every funding opportunity. The Senior Fundraising Team work closely to optimise all activity. Efficient management of team resource shifts has been essential for maintenance of team stability, consistency and productivity and we continue to work closely with the Volunteer Management Team to embrace volunteer resourcing opportunities wherever possible.</p> <p>We also continue to support external collaboration wherever possible, to engage a wider-target audience and enable us to explore otherwise inaccessible sources of income.</p>

Report of the Trustees for the year ended 31st March 2020 *(continued)*

Strategic report *(continued)*

Achievements and performance *(continued)*

Maximise the lifetime value of our supporters

Plans	Achievements
Develop and implement the Shooting Star Children's Hospices' supporter journey to develop effective supporter care, communications and stewardship strategies for all supporters ensuring all communication platforms are fully utilised to effectively engage, retain and maximise support throughout our catchment area.	<p>The core Shooting Star Children's Hospices' supporter journey for individual and regular givers has now been developed and implementation has begun. Working closely with Communications and Marketing, the journey ensures effective supporter care, more engaging communications and effectual stewardship strategies to maximise support long into the future.</p> <p>The individual giving resource investment has been fully focused on strengthening our regular giving journey and programme to build more core, sustainable support. Plans have been finalised and implementation has begun on the new regular giving programme, which was launched in January. The programme focuses on three key elements – stewardship of existing donors, conversion (from one off to regular gifts and with cross-selling across fundraising) and acquisition. This will include development of our digital offer for regular gifts.</p> <p>Further cross-team and organisational-wide supporter journeys will be a key focus next financial year, to ensure we fully optimise cross-team promotional activity and ultimately maximise the lifetime value of each of our supporters.</p>
Work with the Database Manager to further develop fundraising data analytics and insight processes, to support more focussed analysis and decision making.	We continue to work closely with the Head of IT, ensuring robust and comprehensive performance monitoring and to unlock the potential of our database. This critical focus importantly enables us to better understand our supporters and drives more effectual decision-making.

Build greater sustainability in our income streams

Plans	Achievements
Progress the development of our gifts in memory programme, develop bespoke marketing collateral and work collaboratively with Care to ensure families who wish to fundraise are supported in the best possible way.	Last year we experienced a marked increase in donations made in memory. There has been considerable progress made in developing our Gifts in Memory programme through focusing on improving our relationship with our current tribute provider MuchLoved and enhancing the digital experience for supporters by integrating the MuchLoved platform into the Shooting Star Children's Hospices' website. We continue to work collaboratively with our Care Team to ensure Shooting Star Children's Hospices' supported families who wish to fundraise are supported in the best possible way and bespoke marketing collateral has been produced to support this.

Report of the Trustees for the year ended 31st March 2020 *(continued)*

Strategic report *(continued)*

Achievements and performance *(continued)*

Build greater sustainability in our income streams *(continued)*

Plans	Achievements
Launch a legacy campaign and boost awareness of gifts in wills through the implementation of the legacy marketing activity plan.	The legacy campaign was successfully launched and the plan was implemented. We will continue to build awareness of this income stream by drip-feeding the message across all communications platforms.
Continue to ensure effective governance and support for our Lottery partnership to maximise financial return.	With the support of Trustees and the Chief Executive, we continue to ensure effective governance and support for our Lottery partnership to maximise financial return.
Review the current payroll giving programme and develop a longer-term plan to increase payroll giving income.	Work has begun to review the current programme and look at ways to develop an effective and comprehensive approach to establish this as a more sustainable source of income.
Work with Communications and Marketing to develop and implement a plan to continue to build awareness of Shooting Star Children's Hospices throughout our catchment area, utilising all appropriate communication and acquisition channels.	Working with Communications and Marketing, we have implemented multi-channelled awareness and supporter acquisition plans (tied in with two open days and our Christmas campaign), to boost awareness of Shooting Star Children's Hospices and engage support throughout our catchment. Initial focus this year has been on the communities around our hospices; 37.46% of all donors to the Christmas campaign were new to the charity.

Improve retail profitability

Plans	Achievements
Increase the profitability of the existing shops with a target of an additional £75k profit.	This objective was not achieved predominantly due to staff vacancies across a number of our shops.
Take measures to ensure shops are open for seven days a week.	As far as possible shops have been open for seven days a week, although there were some limitations due to staff vacancies.
Dispose of shops not achieving agreed targets.	Shop profitability was under constant review and the decision was taken to exit the Chiswick shop at the end of the lease.

Continue to roll out The Care Database to the hospice sector

Plans	Achievements
Licence The Care Database to further children's hospices in the UK and sign up at least one adult hospice to use the system.	The 2019/2020 period continued to be a difficult period for both adult and children's hospices across the UK. The majority of hospices saw a decrease in fundraising revenues which restricted their purchasing abilities of new systems. As a result, we only signed one additional children's hospice to use The Care Database.

Report of the Trustees for the year ended 31st March 2020 *(continued)*

Strategic report *(continued)*

Achievements and performance *(continued)*

Reduce reputational and financial risk

Plans	Achievements
Reduced reputational and financial risk.	<p>We continue to minimise reputational and financial risk through:</p> <ul style="list-style-type: none"> • Continuing to follow a robust financial performance planning and monitoring process, working closely with the Senior Fundraising Team, Director of Finance & Resources and Chief Executive • Continuing to monitor our fundraising portfolio, to ensure a balance of income types, minimising overreliance on volatile and unpredictable sources and focus on increasing sustainable sources for the future • Responsibly managing all resource and project investments • Effective Risk Register management for fundraising • Having mitigation plans in place for higher risk activities • Mindfulness of the external fundraising environment, to ensure we can adapt plans as needed • Continuing to place our organisational values at the foundation of all our activity and promotion of a working culture of respect, openness and honesty in line with the Fundraising Regulator and the Fundraising Promise – this financial year we reviewed and revised our Acceptance and Refusal of Donations Policy to ensure it was comprehensively in line with the Institute of Fundraising and Fundraising Regulator expectations • Monitoring any changes to fundraising regulation to ensure comprehensive adherence to existing regulations and preparation for future changes to sector legislation • Complying with Shooting Star Children's Hospices' mandatory training programme expectations

Report of the Trustees for the year ended 31st March 2020 *(continued)*

Strategic report *(continued)*

Plans for the coming year

To further develop our role as a key driver of innovation and best practice in children's hospice and palliative care.

Due to the changes we have had to make to address issues relating to the COVID-19 pandemic, our original plans for 20/21 have had to be reviewed and will continue to be reviewed as the impact of the pandemic unfolds. We have moved all of our care services to one site, Christopher's in Guildford, and this is likely to continue to be the situation for at least the next 12 months. It is our aim to maintain a similar bed capacity during this time. It is anticipated that our cohort of families will continue to shield, therefore the need for respite in family homes will be reduced. How training is delivered will also be under review during this time. The priority will be ensuring that staff caring for children have the required skills to provide safe, up-to-date and evidence-based care.

- **Transform our model of care**

- Fully embed the wide ranging changes made as a result of the COVID-19 pandemic
- Develop and implement a family advisory group to advise co-production of our services
- Undertake a full experience survey of our families and young people and implement findings
- Embed the ethos of clinical medical care in a non-hospital setting
- Undertake additional communications with all statutory stakeholders to inform them of changes to our services and to ensure our new services meet their needs

- **Achieve NICE and other Quality Standards**

- Implement actions from Care Quality Commissioners inspection report
- Develop the role of non-medical prescribing within the Symptom Care Team

- **Strong academic links and research programme**

- Strengthen our research capabilities and seek sponsorship funding to undertake research relevant to children's hospice care
 - Work with CHaL to undertake a study of fracture injuries in the population of Children's Hospice users

- **Lead change, add value**

- Deliver 500 nights of respite funded care after the COVID-19 crisis
- Develop and implement regional paediatric palliative care team project in partnership with commissioners and stake holders
- Work with Rainbow Trust to implement the joint community project providing holistic support to children and young people nearing the end of life
- Engage with and maximise statutory funding opportunities including the hospices grant, match funding projects and any additional opportunities

Report of the Trustees for the year ended 31st March 2020 *(continued)*

Strategic report *(continued)*

Plans for the coming year *(continued)*

To attract, retain and develop people who have the right skill set and share our values. We want all our people – staff and volunteers – to feel valued for the work they do.

STAFF

COVID-19 has already started to shape our focus for the first half of 20/21 and we have had to implement a number of key projects including:

- **Organisational change**
 - Review the level of resource needed in light of the COVID-19 pandemic and leveraging the Government Job Retention scheme to minimise our cost base and to protect jobs, wherever possible
 - Undertake a significant organisation review to protect the future sustainability of the charity in light of the COVID-19 pandemic, ensuring a robust and fair process is maintained throughout

We can now focus on the next phase of work brought on by the COVID-19 pandemic:

- **Safe return to work**
 - Develop a COVID-19 home working policy
 - Focus on a safe return to work for staff who have been home-based during the pandemic, including individual and home risk assessments and a health and safety review of the home working space to enable a hybrid of home and office working
- **Improve employee engagement**
 - Deliver short recovery workshops for all staff to support their wellbeing going forward
 - Recommence our Liberating Leadership programme including two further modules on managing remote teams and leading through change to help our managers during this time
 - Participate in the Birdsong Values survey which will provide a timely temperature check on how staff are feeling following a period of significant change and will inform our actions for the last quarter of this year

VOLUNTEERS

- **Communication**
 - Maintain communication with our 800 volunteers during the COVID-19 pandemic, primarily through digital platforms (e-newsletters, Zoom calls and phone calls on a one-to-one basis where needed)
- **Mapping and recruitment**
 - Map how many volunteers will be needed this financial year in light of the COVID-19 pandemic
 - Develop plan for bringing volunteers safely back to work
 - Recruit where we have gaps due to vulnerable volunteers who cannot return
- **Training**
 - Develop and deliver online training for volunteers and explore whether this model of delivery can be used universally going forward

Report of the Trustees for the year ended 31st March 2020 *(continued)*

Strategic report *(continued)*

Plans for the coming year *(continued)*

To generate the income and awareness we need to sustain the vital care service we provide.

In a world with COVID-19, the fundraising landscape is more challenging and unpredictable than ever and potentially fundamentally changed forever. We are now in completely uncharted waters and unprecedented circumstances. Social distancing has already forced a changed fundraising environment; individual and organisational capacity to support charities will continue to be detrimentally affected and we anticipate this will intensify over the forthcoming months. The fundraising target for financial year 2020/21 is a net contribution of £2.38m. We plan to achieve this through the delivery of our strategic objectives and aligned key projects.

- **Delivering maximum possible output from our resources**
 - Fundraising Team efficiencies review and implementation
 - Team consolidation
 - Embracing digital fundraising opportunities – maintaining and adapting our 'business as usual' income lines in a virtual world
 - Volunteer resource engagement to maximise productivity
 - Strengthening and development of external strategic partnerships
- **Maximising the lifetime value of our supporters**
 - Critical focus on supporter nurturing and prioritisation of relationship fundraising methods to ensure we maximise support now and for the future
 - Supporter journey organisational integration
- **Building greater sustainability in our income streams**
 - Continue priority focus for all teams to identify, secure and develop new longer-term sources of income, with conversion to regular support as a core team objective
 - Continue to develop and strengthen existing sustainable sources of income, with key focus on legacy and regular giving fundraising programmes
- **Improve retail profitability**
 - Continue to review and rationalise our retail estate, focusing on our profitable shops
- **Continue to develop The Care Database**
 - Maintain current customer level
 - Launch the Medical Interoperability Gateway (The MIG) module into at least one hospice, to enable a link directly to the NHS.

Report of the Trustees for the year ended 31st March 2020 *(continued)*

Strategic report *(continued)*

Plans for the coming year *(continued)*

- **Reducing reputational and financial risk**

To effectively minimise financial risk we will continue to:

- Follow a robust financial performance planning and monitoring process, working closely with the Senior Fundraising Team, Director of Finance & Resources and Chief Executive
- Monitor our fundraising portfolio, to ensure a balance of income types, minimising overreliance on volatile and unpredictable sources and focus on increasing sustainable sources for the future
- Responsibly manage all resource and project investments
- Ensure effective risk register management for fundraising
- Have mitigation plans in place for higher risk activities
- Be mindful of the external fundraising environment, to ensure we can adapt plans as needed

To ensure threats to Shooting Star Children's Hospices' reputation are minimised we will continue to:

- Place our organisational values at the foundation of all our activity and promote a working culture of respect, openness and honesty in line with the Fundraising Regulator.
- Monitor any changes to fundraising regulation to ensure comprehensive adherence to existing regulations and preparation for future changes to sector legislation.
- Comply with Shooting Star Children's Hospices mandatory training programme expectations.

Report of the Trustees for the year ended 31st March 2020 *(continued)*

Fundraising

As a charity registered with the Fundraising Regulator, we're committed to ensuring our fundraising is legal, open, honest and respectful. Below is our Fundraising Promise, as set by the Fundraising Regulator, which can be found on our website. No complaints about fundraising activity which required investigation were received in the reporting period.

We promise that...

- **We will commit to high standards**

- We will adhere to the Fundraising Code of Practice.
- We will monitor fundraisers, volunteers and third parties working with us to raise funds, to ensure that they comply with the Code of Fundraising Practice and with this Promise.
- We will comply with the law as it applies to charities and fundraising.
- We will display the Fundraising Regulator badge on our fundraising material to show we are committed to good practice.
- We will be clear, honest and open.
- We will tell the truth and we will not exaggerate.
- We will do what we say we are going to do with donations we receive.
- We will be clear about who we are and what we do.
- We will give a clear explanation of how you can make a gift and change a regular donation.
- Where we ask a third party to fundraise on our behalf, we will make this relationship and the financial arrangement transparent.
- We will be able to explain our fundraising costs and show how they are in the best interests of our cause if challenged.
- We will ensure our complaints process is clear and easily accessible.
- We will provide clear and evidence based reasons for our decisions on complaints.

- **We will be respectful**

- We will respect your rights and privacy.
- We will not put undue pressure on you to make a gift. If you do not want to give or wish to cease giving, we will respect your decision.
- We will have a procedure for dealing with people in vulnerable circumstances and it will be available on request.
- Where the law requires, we will get your consent before we contact you to fundraise.
- If you tell us that you don't want us to contact you in a particular way we will not do so. We will work with the Telephone, Mail and Fundraising Preference Services to ensure that those who choose not to receive specific types of communication don't have to.

- **We will be fair and reasonable**

- We will treat donors and the public fairly, showing sensitivity and adapting our approach depending on your needs.
- We will take care not to use any images or words that intentionally cause distress or anxiety.
- We will take care not to cause nuisance or disruption to the public.

Report of the Trustees for the year ended 31st March 2020 *(continued)*

Fundraising *(continued)*

- **We will be accountable and responsible**

- We will manage our resources responsibly and consider the impact of our fundraising on our donors, supporters and the wider public.
- If you are unhappy with anything we've done whilst fundraising, you can contact us to make a complaint.
- We will listen to feedback and respond appropriately to compliments and criticism we receive.
- We will have a complaints procedure, a copy of which will be available on our website or available on request.
- Our complaints procedure will let you know how to contact the Fundraising Regulator in the event that you feel our response is unsatisfactory.
- We will monitor and record the number of complaints we receive each year and share this data with the Fundraising Regulator on request.

Financial review

As outlined last year, detailed and extensive work was done to redesign our care model in line with our strategy of responsive care and in order to manage the growing demand for our services. This new approach provided a process for us to assess the child and their family's level of need at the point of referral using evidenced-based tools including the Surprise Question and Palliative Care Phases of Illness. The service allocation could then be tailored based on the medical needs of the child, whether they're approaching end of life and the urgent needs of the family. During this financial year we completed the development and implemented the new, responsive model of care which enabled us to focus our valuable resources where they are needed the most.

We have worked hard this year lobbying government and the NHS about the levels of statutory income within the children's hospice sector. As a result of pressure applied by the children's hospice sector, there has been an increase in the level of statutory income both in this year and over the next 2 years.

We have continued to market The Care Database to third party hospices and other care organisations, and have aimed to increase retail income, whilst also looking at managing the cost base of the organisation.

The impact of COVID-19 has had minimal effect on the result for the financial year under review, apart from the devaluation of the investment portfolio by £608k at the end of the final quarter of the year. It should be noted though that the investment portfolio was revalued upwards by £388k at the end of the first quarter of 2020/21.

Fundraising income increased in the year with donations and legacy income up by £1,816,097 in a continuing challenging fundraising climate. This was due in the main to an increase in legacy income of £1,490,734.

Statutory income increased in the year by £336,597, which included additional funding of £231,186 in March 2020 as part of an increase in central funding and an increase in our central NHSE children's grant of £58,192. Income from assessed and end of life nights increased by £47,219.

The Care Database is now live with twelve external children's hospices, as well as internally, and the subsidiary Chase Hospice Trading Ltd made a profit for the first time of £22,723 in the year.

Report of the Trustees for the year ended 31st March 2020 *(continued)*

Financial review *(continued)*

Retail income did not increase business as usual profits as much as expected in the year. However, £195,000 of Retail and Hospitality grants were recognised in the year, following an announcement of funding available by the government in late March. The aim in 2020/21 is to consolidate and improve the performance of the existing shops and to continue to rationalise our retail estate, focusing on the most profitable shops.

Joint venture lottery income increased by £50,847, or 13% in the year. Overall, total income increased by 31% from £8,434,362 in 2018/19 to £11,090,612 in 2019/20.

Total expenditure increased by 3% from £10,441,923 in 2018/19 to £10,729,290 in 2019/20.

Cost of generating funds increased by 3% from £1,605,690 in 2018/19 to £1,654,521 in 2019/20. This represents 19% of donor income, which compares favourably to similar charities of our size and scope.

Care expenditure increased by 0.3% from £7,167,544 to £7,187,753. In-house hospice costs decreased by £119,058 (2%) and Hospice at Home cost decreased by £26,950 (3%), both as a result of the changes in the care model which were fully implemented this year. Care support costs expenditure increased by £125,868 (17%) due to the reallocation of central costs. Other care costs including, Therapies and Practice & Education increased by £40,349 (6%).

Other support costs increased very slightly from £2,249,074 to £2,257,830. The charity aims to keep support costs as low as possible whilst retaining a safe and efficient environment for the delivery of care.

Net unrestricted income (before transfers and movements on investments and investment property) amounted to £277,515 (2019: net expenditure £2,007,561). If unrestricted depreciation and amortisation of £601,932 (2019: £564,399) were excluded, the charity would have made a surplus of £879,447 versus a deficit of £1,443,162 in the prior year. The charity had budgeted for a deficit in the year of £35,000 excluding depreciation.

The financial model of the charity still contains significant risks as the charity is more heavily reliant on income from fundraising than other children's hospices around the country, which have far greater sustainable financial support from statutory sources. Fundraising income by its very nature is volatile and in the past Shooting Star Children's Hospices has been reliant on large one-off donations and legacies to support its work.

A deficit budget had already been set for the new financial year 2020/21 and has been further updated to include the estimated impact of COVID-19, although the overall impact will continue to evolve throughout the financial year. The organisation has made the decision to focus all clinical activities from one hospice, based in Guildford, for the next 12 months which will allow it to maintain the same capacity levels but also enable it to manage costs and valuable resources. In May 2020 the charity entered into a consultation period with the employees, to review the overall level of resources required over the coming year, with changes being implemented in July and August 2020. The workforce was reduced by c25% and these changes, together with a review of activities, are expected to reduce the cost base of the organisation by c£1.5 million in 2020/21. The revised budget is still a deficit budget of c£1.2m (cash deficit of £0.6m) and will be monitored by way of quarterly forecasting.

Report of the Trustees for the year ended 31st March 2020 *(continued)*

Reserves policy

Total reserves amounted to £11,470,094. This was made up of five elements:

1. Restricted funds

Restricted funds amount to £318,982 and represent unspent funds at the end of the year. Each restricted fund is spent as quickly as possible in compliance with the restrictions under which it has been given.

2. Endowed funds

This related to funds donated under the understanding that income would be used to support our services. These amounted to £59,434 at the year-end

3. Fixed Asset funds

Fixed Asset funds are used to record the properties owned and used by the charity. These properties related to the two hospice sites owned by the charity (Christopher's and Shooting Star House). These funds amounted to £4,596,517 at the year-end.

4. Non-charitable subsidiary reserves

These amount to £1,075,918. Of this, £270,291 is held so Shooting Star Marketing Ltd, the trading subsidiary which largely functions as a retail operation, can have working capital to continue activities. The remaining £805,627 is held so Chase Hospice Trading Ltd, the trading subsidiary has capital for the operation of marketing and selling The Care Database.

5. General funds

General funds are the funds of the charity that can be used to maintain stability to the operations allowing for increases or decreases in income. The policy for holding general reserves has been established by the trustees taking account of the following long-term considerations:

- The long-term commitment to care that we undertake to our beneficiaries, which can extend over a period of 19 years;
- The commitment we have as an employer, for the job security of our staff, bearing in mind the large proportion of our expenditure that is in staff costs;
- The substantial fluctuations in annual income from supporters;
- The need to fund increases in demand from children and families; and
- The objectives set as part of the strategic review.

The reserves of the charity are regarded as having three layers each set at approximately three months of planned gross operating expenditure (so before any account is taken of incoming revenues):

The first layer is intended to smooth out limited and temporary shortfalls in income to provide funds to protect services at current levels and/or to make further investment in fundraising. The funds for this layer are held in bank current accounts and short-term cash deposits (up to six months), and immediately realisable short dated UK gilts.

Report of the Trustees for the year ended 31st March 2020 *(continued)*

Reserves policy *(continued)*

Total reserves objective and actual reserves

The second layer would allow the charity to conduct a measured reduction in expenditure when a fall in income appears to be of a substantial or longer-term nature. The funds for this layer are held in medium/long-term cash deposits (up to 18 months) and/or liquid UK blue chip equities.

The third layer is held to avoid the need to take an excessively cautious stance whilst rebuilding reserve levels following expenditure cuts and provides a strategic minimum reserve fund. The funds for this layer are invested in gilts or equities, with a view to long-term growth but with limited downside risk.

The target level of Shooting Star Children's Hospices reserves is thus set at between 6 and 9 months cash operating expenditure (excluding depreciation). Actual free (general fund on the balance sheet) reserves at the year-end stood at £5,419,243 (2019: £5,439,306). This represented 6.2 months (2019: 6.3 months) of expenditure. The actual reserves are thus in line with the policy of the charity albeit at the lower end of the range.

The Trustees have considered the impact of the COVID-19 pandemic on income and reserves and are satisfied that the current reserve policies are appropriate and can be met by the charity.

The revised budget for 2020/21 has been set at a £1.2m deficit due to the potential impact of the COVID-19 pandemic. This would see reserves drop to below the 6-9 month target range, although steps are being undertaken to reduce the cost base of the charity to ensure that it is financially sustainable for the foreseeable future. Details of these steps are detailed on page 7. Longer term forecasts also indicate reserves remain low but not at a level which gives rise to going concern issues.

Investment policy, objectives and monitoring

The Investment Objectives are to ensure that the charity's surplus funds are invested to produce a market rate of return consistent with the obligation to meet immediate financial needs and to take account of future spending commitments, possible unplanned changes in activities and the general economic outlook. Any additional funds are invested to provide income and long-term growth within the charity's risk profile.

The attitude to risk is formally described as being a low to medium risk profile, recognising the need to diversify risk across institutions and asset classes. The investment managers are targeted with a total of 6% annual net return on a long-term basis. For liquidity to be guaranteed in the portfolio the charity aims to keep £0.5m in short dated UK gilts.

Bank accounts and deposit amounts may only be held with major UK banks, which have been specifically approved by the Board and not more than £3 million (or 50% of the total General Reserves, whichever is the lesser) with any one bank group. High risk investments such as traded options and futures are prohibited.

The amount available for investment will be as determined in the Reserves Policy. To account for ethical considerations the charity will not invest in any organisation where there is a practical conflict with our aims and activities and will avoid investments which may hamper our work by making potential beneficiaries unwilling to use the services of the charity, or that would alienate significant support.

Report of the Trustees for the year ended 31st March 2020 *(continued)*

Reserves policy *(continued)*

Investment policy, objectives and monitoring *(continued)*

The charity does not consciously make any investments in the armaments, tobacco or pornography industries. Investment decisions are the responsibility of the Board who also agree the Investment Policy. However, the Board delegates management of part of the investments to an approved investment adviser, in accordance with an agreement approved by the Board, and delegates to the Finance and Resources Committee the monitoring of investment performance and the management of the remaining part of the portfolio, which is held in cash and near cash deposits with financial institutions approved by the Board. The Committee meets with the Fund Managers twice a year to review performance and investment objectives.

Equities should not represent more than 65% of total investments at any time, which the trustees are advised is consistent with the majority of similarly sized charity investment portfolios and investment mandates.

The charity uses the services of Teknometry Limited to assist in evaluating the performance of the portfolio. After a very volatile final quarter, the return on the portfolio during the year was measured at -9.2% versus the benchmark of -7.2%.

The trustees are mindful of the uncertain times and are regularly reviewing the performance of the investments with the investment managers. The portfolio lost c17% of its value in the final quarter of the year, due to the impact of COVID 19, ending the year at £3.0m. Since then the portfolio has regained almost 13% of its value, increasing by c£388k to £3.4m by the end of the first quarter of 2020/21.

Risk management

The trustees are responsible for the effective management of the range of risks that apply to the operation of the charity, including ensuring that internal controls are in place and operating as intended. Risks are assessed on the basis of their likelihood and potential impact, along with the mitigation strategies in place to manage them.

As part of our Clinical Governance processes we hold a clinical risks register which is scrutinised by the Clinical Governance Committee and ultimately the Board. A separate risk register is maintained for non-clinical risks, which is regularly reviewed by the Finance and Resources Committee and periodically by the Board. The overall risk register undergoes operational review and updates regularly, taking mitigating action as required to reduce and control the risks. Both risk registers have been reviewed in light of the COVID-19 pandemic. The highest risks for the year 2019/20 are included below;

A Clinical Risks

Impact of COVID-19

The impact of COVID-19 on the children we support could be devastating to them and their families and so, in March 2020, we put measures in place to manage the care that we provide. We moved our in-house provision to our Guildford hospice, Christopher's, as it had the most suitable facilities to ensure infection control and decontamination, it had piped oxygen available and it's location was felt to be more suitable. We limited the care we could provide to end-of-life care and emergency respite. We created a care bubble in part of the hospice during the initial months of the pandemic, widening the bubble to the whole hospice when we were able to, with appropriate social distancing. We believe that we have taken all the steps necessary to ensure that we minimise the risk of COVID-19 within the hospice itself.

Report of the Trustees for the year ended 31st March 2020 *(continued)*

Risk management *(continued)*

A Clinical Risks *(continued)*

Risk of dispute over treatment or handling of any young person

With the current climate of media interest in healthcare, the speed and reach of social media and higher expectations from families in general, we acknowledge that the high-risk care we provide carries a risk of disagreement or dispute. In order to mitigate these risks we work in partnership with families as much as possible and ensure high quality clinical governance processes including responses to family concerns or complaints and post incident reviews. We also have support and clinical governance from a Paediatric Palliative Care Consultant.

Failure to keep and update family records properly

Following the implementation of the new care database system, we continue to carry a moderate risk in maintaining family records due to the risk of unexpected errors or failures due to lack of knowledge and experience of the new system. We have introduced a system for reviewing incidents relating to The Care Database and have implemented mitigating measures to address any concerns as they arise to ensure the safety of patients. Downtime procedures have been implemented and a new policy drafted.

B Non-Clinical Risks

Global challenges

The charity's main areas of risk have been assessed in the light of the global COVID-19 pandemic. These are common areas of risk amongst organisations both within and outside the charity sector. They include:

- Cashflow sensitivity which is addressed by the charity's reserves policy together with control over the level and timing of expenditure
- High reliance on fundraising income as detailed below
- Compliance with data protection regulation (GDPR) with regards to fundraising and donor communication – we have the experience of the donor at the heart of all our fundraising decisions and we have clear GDPR policies for communication with our donors

Organisational financial challenges

As outlined above, the year ended 31st March 2020 was another challenging one for the charity, which involved consolidating the new responsive care model together with lobbying for more government funding, and ending the year with the start of the COVID-19 pandemic.

The key risks the charity faces continue to relate to its financial model with its high reliance on fundraising, with approximately just 15% of income being derived from statutory and assessed funding.

The central grant received from NHS England statutory income had been static for a number of years and only covered 6.1% of expenditure. It was increased in 2019/20 from £640,107 to £698,299 (9% increase) which still only covers 6.5% of total expenditure. The remaining statutory income is derived from spot purchasing from Local Authorities, Clinical Commissioning Groups (CCGs) and personal budgets which is, in itself, unpredictable. This was seen in the current year where overall funded respite nights increased further during the year leading to an increase in funding to £706,745 (2019: £659,526).

Report of the Trustees for the year ended 31st March 2020 *(continued)*

Risk management *(continued)*

B Non-Clinical Risks *(continued)*

The charity was successful in its fundraising with £6.6m raised in the current year in the face of stiff competition from other charities and children's hospices and a difficult fundraising environment. This included an increase in legacy income from £660,528 to £2,151,262. However, fundraising income whilst incredibly important to the charity does not provide the certainty of income the charity needs to guarantee the essential services it provides each year. We are grateful to all our supporters who have ensured the charity can continue to provide a range of services.

The charity's strategy in recent years has been to diversify income to reduce reliance on core fundraising towards predictable longer term forms of income, such as income from retail operations, the lottery and The Care Database. However, these commercial operations carry their own significant financial and operating risks.

Overall there remains a risk of providing sufficient income to ensure delivery of the charity's essential care service.

Database delivery to other hospices and health care organisations

The charity itself has successfully and safely adopted The Care Database and the charity's wholly owned subsidiary, Chase Hospice Trading Ltd, has now signed contracts to deliver the database to twelve other external hospices and healthcare organisations. These hospices are all now live with the system and are being supported on a daily basis by three members of staff. The company made a small profit in the financial year under review and anticipates that this will be maintained even with the impact of COVID-19.

Report of the Trustees for the year ended 31st March 2020 *(continued)*

Structure, governance and management

Trustees' responsibilities

The trustees (who are also directors for the purposes of company law) are responsible for preparing the trustees' report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the income and expenditure of the charitable company for that period.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing the accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

Each of the trustees confirms that:

- so far as the trustee is aware, there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustee has taken all the steps that he/she ought to have taken as a trustee in order to make him/her aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Report of the Trustees for the year ended 31st March 2020 *(continued)*

Structure, governance and management *(continued)*

Internal control effectiveness

The systems of internal controls are designed to provide reasonable, but not absolute, assurance against material miss-statement or loss. They include:

- An annual budget approved by Board of Trustees
- Regular forecasts to predict the likely outcome for the financial year
- Regular monitoring of actual performance against budgets and forecasts
- Delegation of authority to managers for expenditure within budget limits
- Segregation of duties
- Identification and management of risk
- Its assets are safeguarded against unauthorised use or disposition
- Proper records are maintained and financial information used within the charity or for publication is reliable
- The charity complies with relevant laws and regulations
- A system of effective clinical governance is in place

Structure, governance and management

Shooting Star Children's Hospices is a registered charity and is incorporated as a charitable company limited by guarantee. It is governed by its Memorandum and Articles of Association and is controlled by the Board of Trustees. The Board of Trustees meet at least quarterly to monitor progress and to take decisions concerning the strategic direction of the charity. Board meetings are also attended by the Chief Executive and Organisation Leadership Team.

The Chief Executive is appointed by the Board of Trustees to manage the day-to-day operations of the charity. All trustees give their time voluntarily and receive no benefit or remuneration from the charity.

During the year there were four operating sub-committees of the Board whose work is to link governance more closely to the clinical services provided by the charity and to enhance risk management and audit across the organisation. These are the Finance and Resources Committee, the Care Advisory Sub-Committee, the Quality Governance and Risk Committee and the Income Generation Committee, each of which meets four times a year. Individual trustees are appointed as Lead Trustees to each of these areas. Responsibility for oversight of each item in the charity's Risk Register has been devolved to the appropriate committee to ensure that systems and procedures are in place, and are kept up to date, in order to monitor and mitigate exposure to those risks.

New trustees are recruited to the Board in order to ensure that collectively the Board has the proper range of skills and competencies. Induction and training procedures for new trustees include individual briefings by other trustees and by senior management together with an ongoing section of the Trustee meetings which examines separately an area of the charity's activities in depth.

Report of the Trustees for the year ended 31st March 2020 *(continued)*

Structure, governance and management *(continued)*

The Board approves the annual operational plan and a detailed budget, following initial scrutiny by the Finance and Resources Committee. The staff of the charity are authorised to work within the framework of the operational plan and budget, under the direction of the Chief Executive. The trustees receive regular reports from the Chief Executive and Organisation Leadership Team, comprising a range of service-related, financial and other written information to enable them to measure the charity's performance against specific budgets, targets and objectives for the year. The Chief Executive meets collectively with operational directors monthly as members of the Organisational Leadership Team.

Shooting Star Children's Hospices has two subsidiary companies. Shooting Star Marketing Limited is engaged in the sale of merchandise and donated goods via the charity's own managed charity shops and the sale of Christmas cards. Chase Hospice Trading Limited is managing the development and service delivery of The Care Database.

Shooting Star Children's Hospices also owns 50% of Tuckwell Chase Lottery Limited under the terms of a joint venture agreement with Phyllis Tuckwell Memorial Hospice Limited. The charity has three seats on the board and the Chairman is a Trustee of Shooting Star Children's Hospices on rotation.

Key management personnel

The key management personnel of Shooting Star Children's Hospices, responsible for directing and controlling the operations of the charity on a day to day basis, comprise the trustees and members of the Operational Leadership Team. The Operational Leadership Team is defined as follows:

Chief Executive	Nigel Harding
Executive Vice President	Karen Sugarman
Acting Director of Care	Geraldine Sheedy
Director of Fundraising Operations	Sally Wells
Director of Finance and Resources	Jennifer Johnson
Interim Director of HR	Clare Reilly

The remuneration of the Operational Leadership Team is benchmarked via reference to similar roles within other organisations of a similar scope and size taking account of differing levels of responsibility. Any variations in remuneration are approved by the trustees.

Approved by the trustees on 1st October 2020 and signed on their behalf by:



Andrew Coppel CBE
Chair

Independent auditor's report to the members of Shooting Star Children's Hospices

Opinion

We have audited the financial statements of Shooting Star Children's Hospices (the charitable 'parent company') and its subsidiaries (the 'group') for the year ended 31st March 2020 which comprise the group statement of financial activities, the group and charitable parent company balance sheets and the group statement of cash flows, the principal accounting policies and the notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the charitable parent company's affairs as at 31st March 2020 and of the group's income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter – Effects of COVID-19

We draw attention to the Report of the Trustees and the principal accounting policy in respect to the assessment of going concern, both of which describe the operational disruption the charity is facing as a result of COVID-19 and the impact that this may have on the charity's finances. Our opinion is not modified in respect of this matter.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the charitable parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Independent auditor's report to the members of Shooting Star Children's Hospices *(continued)*

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report which is also the directors' report for the purpose of company law (including the strategic report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report which is also the directors' report for the purpose of company law (including the strategic report) has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the charitable parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report (including the strategic report)

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the charitable parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the charitable parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Independent auditor's report to the members of Shooting Star Children's Hospices *(continued)*

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors of the charitable company for the purpose of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and the charitable parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or the charitable parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.



Catherine Biscoe (Senior Statutory Auditor)
For and on behalf of Buzzacott LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL

15 October 2020

Consolidated statement of financial activities

(Including Income and Expenditure Account) For the Year Ended 31st March 2020

	Notes	Un- restricted Funds	Restricted Funds	Endowed funds	Total 2020	Total 2019
		£	£	£	£	£
Income and endowments from						
Donations and legacies	2	5,131,977	407,257	-	5,539,234	3,723,137
Other trading activities						
Retail and other income		2,205,346	-	-	2,205,346	1,647,776
Lottery income		223,856	-	-	223,856	135,859
Events and other income		875,654	-	-	875,654	1,024,733
	3	<u>3,304,856</u>	<u>-</u>	<u>-</u>	<u>3,304,856</u>	2,808,368
Investment income	5	118,942	-	-	118,942	117,610
Charitable activities						
NHS England Grants	4	-	698,299	-	698,299	640,107
Other grants	4	231,186	-	-	231,186	-
Other charitable assessed income	4	706,745	-	-	706,745	659,526
		<u>937,931</u>	<u>698,299</u>	<u>-</u>	<u>1,636,230</u>	1,299,633
Other income:						
Net interest in the results of the joint venture		442,628	-	-	442,628	391,781
Other income	6	48,722	-	-	48,722	93,833
Total income and endowments		<u>9,985,056</u>	<u>1,105,556</u>	<u>-</u>	<u>11,090,612</u>	8,434,362

	Notes	Un-restricted Funds £	Restricted Funds £	Endowed Funds £	Total 2020 £	Total 2019 £
Expenditure on:						
Raising funds						
Costs of generating donations		1,654,521	-	-	1,654,521	1,605,690
Costs of managing investments		18,699	-	-	18,699	21,909
Trading activities		1,868,317	-	-	1,868,317	1,646,780
		<u>3,541,537</u>	<u>-</u>	<u>-</u>	<u>3,541,537</u>	<u>3,274,379</u>
Expenditure on charitable activities						
Hospice care		3,885,381	848,533	-	4,733,914	4,852,972
Hospice at home		782,926	86,904	-	869,830	896,780
Therapy		332,469	86,312	-	418,781	412,891
Practice education & quality		290,582	-	-	290,582	256,123
Care support costs		874,646	-	-	874,646	748,778
		<u>6,166,004</u>	<u>1,021,749</u>	<u>-</u>	<u>7,187,753</u>	<u>7,167,544</u>
Total charitable expenditure		<u>6,166,004</u>	<u>1,021,749</u>	<u>-</u>	<u>7,187,753</u>	<u>7,167,544</u>
Total expenditure	7	<u>9,707,541</u>	<u>1,021,749</u>	<u>-</u>	<u>10,729,290</u>	<u>10,441,923</u>
Net income/(expenditure) before transfers and investment gains / (losses)	8	277,515	83,807	-	361,322	(2,007,561)
Net (losses)/gains on investment assets	13	(359,218)	-	-	(359,218)	139,663
		<u>(81,703)</u>	<u>83,807</u>	<u>-</u>	<u>2,104</u>	<u>(1,867,898)</u>
Net income/(expenditure) and net movement in funds		<u>(81,703)</u>	<u>83,807</u>	<u>-</u>	<u>2,104</u>	<u>(1,867,898)</u>
Fund balances at 1 st April 2019		11,173,381	235,175	59,434	11,467,990	13,335,888
Fund balances at 31st March 2020	21	<u>£11,091,678</u>	<u>£318,982</u>	<u>£59,434</u>	<u>£11,470,094</u>	<u>£11,467,990</u>

The notes form part of these financial statements. All of the charitable company's activities during the above two financial periods derived from continuing operations. The charitable company has no recognised gains and losses other than those shown above.

The full consolidated statement of financial activities for 2019 is shown in note 28.

Group and charity balance sheets at 31st March 2020

	Notes	Group 2020 £	2019 £	Charity 2020 £	2019 £
Fixed Assets					
Intangible assets	11	841,643	866,890	30,746	35,223
Tangible assets	12	4,596,517	4,929,371	4,460,418	4,797,343
Fixed asset investments	13	3,051,339	3,917,162	3,051,339	3,917,162
Investment in subsidiary		-	-	1,063,409	1,063,409
		8,489,499	9,713,423	8,605,912	9,813,137
Current Assets					
Debtors	14	2,546,061	1,691,849	2,341,858	1,737,728
Cash at bank		1,546,801	970,202	1,159,863	808,825
		4,092,862	2,662,051	3,501,721	2,546,553
Creditors - Amounts Falling Due Within One Year	15	(1,112,267)	(907,484)	(650,050)	(632,998)
Net Current Assets		2,980,595	1,754,567	2,851,671	1,913,555
Net Assets		£11,470,094	£11,467,990	£11,457,583	£11,726,692
Funds of the Group/ Charity					
Restricted funds	17	318,982	235,175	318,982	235,175
Endowment funds	18	59,434	59,434	59,434	59,434
Tangible Fixed Asset fund	19	4,596,517	4,929,371	4,460,418	4,797,343
General funds	21	5,419,243	5,439,306	6,618,749	6,634,740
Non-charitable subsidiary reserves	10	1,075,918	804,704	-	-
		£11,470,094	£11,467,990	£11,457,583	£11,726,692

The notes form part of these financial statements.

These Financial Statements were approved by the Board of Trustees on 1st October 2020 and were signed on their behalf by:



.....
 Andrew Coppel CBE – Chair



.....
 Paul Boughton – Treasurer

Company registration number 02927688 (England and Wales).

Consolidated statement of cashflows

For the Year Ended 31st March 2020

	Notes	2020		2019	
		£	£	£	£
Net cash flows from operating activities					
Net cash generated by/(used in) operating activities	22		194,883		(1,956,218)
Cash flows from investing activities					
Dividends, interest and rents from investments	5	118,942		117,610	
Payments to acquire intangible assets	11	(87,482)		(223,083)	
Payments to acquire tangible fixed assets	12	(156,349)		(199,456)	
Payments to acquire investments	13	(916,388)		(1,741,693)	
Receipts from disposals of investments	13	1,446,866		1,493,882	
Net cash provided by/(used in) investing activities			405,589		(552,740)
Change in cash and cash equivalents in the year			600,472		(2,508,958)
Cash & cash equivalents at 1st April 2019	23		1,009,522		3,518,480
Cash & cash equivalents at 31st March 2020	23		£1,609,994		£1,009,522

The notes form part of these financial statements.

Notes to the financial statements for the year ended 31st March 2020

1. Accounting policies

The following accounting policies adopted, judgements and key sources of estimation and uncertainty in the preparation of the financial statements are set out below.

Basis of accounting

The financial statements have been prepared under the historical cost convention with items initially recognised at cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) ('Charities FRS 102 SORP 2015'), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The charity constitutes a public benefit entity as defined by FRS 102.

The financial statements are presented in sterling and are rounded to the nearest pound.

Basis of consolidation

The group financial statements consolidate the financial statements of the parent company and its subsidiary undertakings for the year ended 31st March 2020. Investments in joint ventures (where the group holds an interest on a long-term basis and is jointly controlled by the charitable company and one or more other ventures under a contractual arrangement) are included in the group financial statements using the 'equity' method. The group discloses its share of joint ventures' operating result in the consolidated statement of financial activities and its share of the gross assets and liabilities in the consolidated balance sheet.

In the charitable company's financial statements, investments in subsidiary undertakings are stated at cost.

No separate Statement of Financial Activities (SOFA) has been presented for the charity alone as permitted by the Companies Act 2006 and the SORP. All amounts within these financial statements relate to the group unless otherwise stated. The charity has taken advantage of the exemption under FRS102 section 33.1 not to disclose transactions between group companies.

Critical accounting estimates and areas of judgement

The most significant area of judgement that affects items in the accounts are the estimates involved in the recognition of legacy income, analysing revenue and expenditure between restricted and unrestricted funds. The methods of valuation are outlined below.

The items in the accounts where these judgements and estimates have been made include:

- estimating the useful economic life of intangible fixed assets;
- estimating the useful economic life of tangible fixed assets;
- determining the basis for allocating support costs;
- accounting for legacy income;
- estimating the impact of COVID 19

Notes to the financial statements for the year ended 31st March 2020 (cont'd)

1. Accounting policies (cont'd)

Going concern

Since the March 2020 balance sheet date the charity has been dealing with the COVID 19 pandemic and the associated measures that government, businesses, institutions and the general public are putting in place to deal with it. With social distancing and shielding guidance in place from the UK Government, the charity made some tough decisions in order to ensure the safe provision of care and the safety of staff, and to secure the future of Shooting Star Children's Hospices. The decision was taken to provide care from one hospice and also to reduce the number of employees. There has also been regular review of the charity's cashflow and expenditure. The budget was reviewed and revised in April 2020 to take account of the evolving factors, including Hospice UK funding, furlough claims and the emergency appeal, which was launched on Tuesday 24th March.

The trustees have reviewed the charity's cashflow and reserves position in relation to operating overheads and have assessed whether the use of the going concern assumption is appropriate in preparing these financial statements. The trustees have made this assessment in respect to a period of one year from the date of approval of these financial statements, to 1st October 2021.

The trustees have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The trustees are of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due.

The most significant areas of judgement that affect items in the accounts are detailed above. With regard to the next accounting period, the year ending 31st March 2021, the most significant areas that affect the carrying value of the assets held by the charity are legacy recognition, the level of investment return and the performance of the investment markets.

Income

Income is recognised in the period in which the charity is entitled to receipt and the amount can be measured reliably and it is probable that the income will be received. Income is deferred only when the charity has to fulfil conditions before becoming entitled to it or where the donor or funder has specified that the income is to be expended in a future accounting period. Income comprises donations, legacies, grants, interest receivable and investment income.

Grants and donations from government and other agencies and charitable foundations are included as income from activities in furtherance of the charity's objectives where these amount to a contract for services, but as voluntary income where the money is given in response to an appeal or with greater freedom of use, for example monies for core funding.

Legacies are included in the statement of financial activities when the charity is entitled to the legacy, the executors have established that there are sufficient surplus assets in the estate to pay the legacy, and any conditions attached to the legacy are within the control of the charity.

Notes to the financial statements for the year ended 31st March 2020 (cont'd)

1. Accounting policies (cont'd)

Income (continued)

Entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor to the charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, but the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material. In the event that the gift is in the form of an asset other than cash or a financial asset traded on a recognised stock exchange, recognition is subject to the value of the gift being reliably measurable with a degree of reasonable accuracy and the title of the asset having being transferred to the charity.

Dividends are recognised once the dividend has been declared and notification has been received of the dividend due. Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

Joint venture

The basis on which the group's 50% interest in Tuckwell CHASE Lottery Limited is included within the group financial statements is described under basis of consolidation above.

Expenditure and the basis of apportioning costs

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to make a payment to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. Expenditure comprises direct costs and support costs. All expenses, including support costs, are allocated or apportioned to the applicable expenditure headings. The classification between activities is as follows:

- Expenditure on raising funds include the salaries, direct costs and support costs associated with generating donated income, together with the fees paid to investment managers in connection with the management of the charity's listed investments.
- Expenditure on charitable activities includes all costs associated with furthering the charitable purposes of the charity through the provision of its charitable activities. Such costs include charitable grants and donations, direct and support costs including governance costs.

Support costs represent indirect charitable expenditure. In order to carry out the primary purposes of the charity it is necessary to provide support in the form of personnel development, financial procedures, provision of office services and equipment and a suitable working environment.

Notes to the financial statements for the year ended 31st March 2020 (cont'd)

1. Accounting policies (cont'd)

Governance costs

Governance costs comprise the costs involving the public accountability of the charity (including audit costs) and costs in respect of compliance with regulation and good practice.

Support costs and governance costs are apportioned using percentages based on the time spent on the activities by the employees of the charity. Retail support costs are calculated with reference to the annual management charge determined as reasonable made by the charity to the retail operation for reimbursement of central costs.

Pension costs

Contributions in respect of the charity's defined contribution pension scheme are charged to the statement of financial activities when they are payable to the scheme. The charity's contributions are restricted to the contributions disclosed in note 9. The charity has no liability beyond making its contributions and paying across the deductions for the employees' contributions. Outstanding contributions at the year end were £72,953 (2019: £60,059).

Taxation

Shooting Star Children's Hospices is a registered charity and therefore is not liable to income tax or corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities.

Intangible fixed assets and amortisation

Intangible fixed assets are stated at cost or valuation less amortisation. Amortisation is provided at rates calculated to write off the cost of each asset over its expected useful life. The amortisation rates in use are as follows:

Capitalised development costs	Up to 10 years straight line
-------------------------------	------------------------------

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost of each asset over its expected useful life. The depreciation rates in use are as follows:

Freehold land is not depreciated	
Freehold property	4% per annum straight line
Leasehold property	Straight line over period of lease
Furnishings, fixtures and fittings and building improvements	10% per annum straight line
IT systems and equipment	33% per annum straight line
Motor vehicles	25% per annum straight line

Assets costing less than £2,000 are written off to expenditure in the year of acquisition. Assets under construction are not depreciated until the asset is brought into use.

Notes to the financial statements for the year ended 31st March 2020 (cont'd)

1. Accounting policies (cont'd)

Investments

Listed investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. Realised and unrealised gains (or losses) are credited (or debited) to the statement of financial activities in the year in which they arise.

The charity does not acquire put options, derivatives or other complex financial instruments.

As noted above, the main form of financial risk faced by the charity is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub sectors.

Debtors

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. Debtors have been discounted to the present value of the future cash receipt where such discounting is material.

Cash at bank and in hand

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition. Deposits for more than three months but less than one year will be disclosed as short term deposits. Cash placed on deposit for more than one year is disclosed as a fixed asset investment.

Creditors and provisions

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the charity anticipates it will pay to settle the debt. They have been discounted to the present value of the future cash payment where such discounting is material.

Fund accounting

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

Endowed funds are given to be held for the longer term and the income be used to fund the activities of the charity. Unrestricted funds are donations and other incoming resources receivable or generated for the objects of the charity. Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

Leased assets

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the statement of financial activities on a straight-line basis over the lease term.

Notes to the financial statements for the year ended 31st March 2020 (cont'd)

2. Donations and legacies

	Unrestricted 2020 £	Restricted 2020 £	Total 2020 £
Donations and gifts	2,980,715	407,257	3,387,972
Legacies	2,151,262	-	2,151,262
2020	£5,131,977	£407,257	£5,539,234
	Unrestricted 2019 £	Restricted 2019 £	Total 2019 £
Donations and gifts	2,739,995	322,614	3,062,609
Legacies	660,528	-	660,528
2019	£3,400,523	£322,614	£3,723,137

3. Other trading activities

	2020 £	2019 £
Lottery	223,856	135,859
Challenge events/Marathon	530,636	620,021
Other events	286,033	226,717
Other income	58,985	177,995
Events and other income	875,654	1,024,733
Retail and trading income	2,205,346	1,647,776
	£3,304,856	£2,808,368

All income from this source was unrestricted in both years.

Notes to the financial statements for the year ended 31st March 2020 (cont'd)

4. Charitable activities

	2020 Unrestricted £	2020 Restricted £	2020 Total £
NHS England Grants	-	698,299	698,299
Other grants	231,186	-	231,186
Other charitable assessed income	706,745	-	706,745
	£937,931	£698,299	£1,636,230
	2019 Unrestricted £	2019 Restricted £	2019 Total £
NHS England Grants	-	640,107	640,107
Other charitable assessed income	659,526	-	659,526
	£659,526	£640,107	£1,299,633

5. Investment income

	2020 £	2019 £
Income from listed investments	116,498	113,619
Interest receivable	2,444	3,991
	£118,942	£117,610

All income from this source was unrestricted in both years.

6. Other income

	2020 £	2019 £
Taxation credit	48,722	56,333
Dilapidation reserve (note 15)	-	37,500
	£48,722	£93,833

All income from this source was unrestricted in both years. The tax credit relates to a claim for Research and Development expenditure incurred during the year. This expenditure has been recognised as an intangible fixed asset as detailed in note 11.

Notes to the financial statements for the year ended 31st March 2020 (cont'd)

7. Cost analysis

	Staff costs	Premises	Other	Depre- ciation	Allocation of support costs*	2020 Total
	£	£	£	£	£	£
Residential care	2,823,531	176,503	383,312	402,375	948,193	4,733,914
Hospice at home care	611,923	355	23,159	-	234,393	869,830
Therapy	300,048	-	23,474	-	95,259	418,781
Practice education & quality	208,961	-	32,143	-	49,478	290,582
Care support costs	543,042	2,778	18,450	-	310,376	874,646
Costs of generating voluntary income	873,443	-	402,147	-	378,931	1,654,521
Trading activities	591,714	603,170	432,233	-	241,200	1,868,317
Management of investments	-	-	18,699	-	-	18,699
	£5,952,662	£782,806	£1,333,617	£402,375	£2,257,830	£10,729,290

* Included in support costs are £1,274,822 of salaries costs and governance costs of £15,667. Governance costs comprise trustee indemnity insurance and audit fees.

	Staff costs	Premises	Other	Depre- ciation	Allocation of support costs*	2019 Total
	£	£	£	£	£	£
Residential care	2,768,048	163,032	417,254	397,331	1,107,307	4,852,972
Hospice at home care	679,710	2,305	33,623	-	181,142	896,780
Therapy	312,067	-	24,861	-	75,963	412,891
Practice education & quality	190,975	-	27,167	-	37,981	256,123
Care support costs	489,434	9,543	-	-	249,801	748,778
Costs of generating voluntary income	833,428	-	396,830	-	375,432	1,605,690
Trading activities	476,006	509,651	439,675	-	221,448	1,646,780
Management of investments	-	-	21,909	-	-	21,909
	£5,749,668	£684,531	£1,361,319	£397,331	£2,249,074	£10,441,923

* Included in support costs are £1,325,511 of salaries costs and governance costs of £17,535. Governance costs comprise trustee indemnity insurance and audit fees.

Notes to the financial statements for the year ended 31st March 2020 (cont'd)

7. Cost analysis (cont'd)

Analysis of expenditure between unrestricted and restricted funds:

	2020 Un- restricted £	2020 Restricted £	2020 Total funds £	2019 Un- restricted £	2019 Restricted £	2019 Total funds £
Raising funds						
Costs of generating donations	1,654,521	-	1,654,521	1,605,690	-	1,605,690
Costs of managing investments	18,699	-	18,699	21,909	-	21,909
Trading activities	1,868,317	-	1,868,317	1,646,780	-	1,646,780
Charitable activities						
Hospice care	3,885,381	848,533	4,733,914	4,066,359	786,613	4,852,972
Hospice at home	782,926	86,904	869,830	821,822	74,958	896,780
Therapy	332,469	86,312	418,781	376,846	36,045	412,891
Practice education & quality	290,582	-	290,582	256,123	-	256,123
Care support costs	874,646	-	874,646	748,778	-	748,778
Total expenditure	£9,707,541	£1,021,749	£10,729,290	£9,544,307	£897,616	£10,441,923

8. Net income / (expenditure) before transfers and investment gains

	2020 £	2019 £
Net income/expenditure is stated after charging:		
Amortisation of intangible assets	112,729	100,971
Depreciation of tangible fixed assets	489,203	463,428
Operating lease rentals – land and buildings	705,009	627,772
Operating lease rentals – other	8,436	9,227
Auditor's remuneration	15,415	16,825
Payroll bureau	10,484	11,923

Notes to the financial statements for the year ended 31st March 2020 (cont'd)

9. Employees

The average monthly number of total employees and full-time equivalent employees during the year was:

	2020	2020	2019	2019
	Headcount	FTE	Headcount	FTE
Hospice care	97	64	110	76
Hospice at home	20	16	18	12
Therapy	10	6	7	5
Practice education & quality	4	3	3	3
Care support	23	21	19	17
Activities for generating donations	28	25	28	26
Retail	32	25	27	21
Administration	19	18	19	18
	233	178	231	178

Employment costs	2020	2019
	£	£
Wages and salaries	6,188,650	5,931,911
Social security costs	564,726	540,391
Other pension costs	454,828	389,004
Agency costs	5,121	200,844
Other staff costs	29,262	16,559
	£7,242,587	£7,078,709

The number of employees whose emoluments in the year were £60,000 or more, were:

	2020	2019
	Number	Number
£60,001 - £70,000	1	5
£70,001 - £80,000	2	-
£80,001 - £90,000	-	1
£90,001 - £100,000	1	-
£100,001 - £110,000	-	-
£110,001 - £120,000	1	-

Notes to the financial statements for the year ended 31st March 2020 (cont'd)

9. Employees (cont'd)

The aggregate pension contribution made by the charity on behalf of higher paid staff was £48,119 (2019: £33,929). Five (2019: Six) higher paid staff accrued benefits in defined contribution pension schemes.

Key management personnel are defined as the trustees and the five members of the Organisational Leadership team, together with one of the directors of the subsidiary company Chase Hospice Trading Ltd. The total employee benefits of the key management personnel of the charity were £513,629 (2019: £499,060).

During the year redundancy and termination payments made by the charity were £nil (2019: £nil).

None of the trustees received any remuneration or expenses in respect of their services during the year (2019 - £nil). Trustees' indemnity insurance is included in the overall insurance paid by the charity and cost the charity was £252 (2019: £710).

The total amount of donations received from the trustees during the year was £10,559 (2019: £1,248).

10. Subsidiary undertakings and joint ventures

During the year the charity had three wholly owned subsidiaries, Chase Hospice Trading Limited (Trading) (Company No. 03379287), Shooting Star Trust Ltd (Dormant Charitable Company) (Company No: 04383311) and Shooting Star Marketing Limited (Marketing) (Company No. 03123517) all of which are incorporated in Great Britain. The registered office of all the entities is Shooting Star House, The Avenue, Hampton, Middlesex TW12 3RA.

Chase Hospice Trading Ltd (Share capital of £1,063,307) is the entity which accounts for the software for the new Care Database, which has been recognised as an intangible asset.

Shooting Star Marketing Ltd (Share capital £2) undertakes the sale of donated and other goods at thirteen shops.

A summary of the results of the subsidiary companies is shown below. Audited financial statements have been filed with the Registrar of Companies in respect of Shooting Star Marketing Ltd and Chase Hospice Trading Ltd. Shooting Star Trust Ltd was dormant throughout the year and the accounts have therefore not been audited.

In addition to the above the Charity also participates in the joint venture, Tuckwell CHASE Lottery Limited which is jointly controlled by Shooting Star Children's Hospices and Phyllis Tuckwell Memorial Hospice Limited under the a joint venture agreement the terms of which are that the joint venture will promote a commercial lottery game which aims to generate profits for the benefit of its affiliated charities.

Notes to the financial statements for the year ended 31st March 2020 (cont'd)

10. Subsidiary undertakings and joint ventures (cont'd)

	Shooting Star Marketing Ltd	
	2020	2019
	£	£
Turnover	1,626,679	1,243,734
Cost of Sales	(14,383)	(18,024)
Gross Profit	1,612,296	1,225,710
Administrative expenses	(1,363,806)	(1,105,511)
Operating Profit	248,490	120,199
Gift Aid	-	(120,199)
Retained Profit	248,490	-
Net Assets	£270,291	£21,801

	Chase Hospice Trading Ltd	
	2020	2019
	£	£
Turnover	467,455	293,758
Cost of Sales	(143,175)	(174,908)
Gross Profit	324,280	118,850
Administrative expenses	(350,279)	(349,309)
Operating Loss	(25,999)	(230,459)
Corporation tax	48,722	56,333
Profit/(Loss)	£22,723	£(174,126)
Net assets	£805,627	£782,904

Notes to the financial statements for the year ended 31st March 2020 (cont'd)

11. Intangible fixed asset

GROUP	2020 Intangible asset £	2019 Intangible asset £
COST OR VALUATION		
At 1 st April	1,039,310	816,227
Additions	87,482	223,083
At 31 st March	£1,126,792	£1,039,310
AMORTISATION		
At 1 st April	172,420	71,448
Charged in year	112,729	100,972
At 31 st March	£285,149	£172,420
NET BOOK VALUE		
At 31 st March	£841,643	£866,890

CHARITY	2020 Intangible asset £	2019 Intangible asset £
COST OR VALUATION		
At 1 st April and 31 st March	44,162	44,162
AMORTISATION		
At 1 st April	8,939	4,462
Charged in year	4,477	4,477
At 31 st March	£13,416	£8,939
NET BOOK VALUE		
At 31 st March	£30,746	£35,223

The intangible asset represents software development costs, incurred in the development and build of The Care Database. The database was implemented in April 2017.

Notes to the financial statements for the year ended 31st March 2020 (cont'd)

12. Tangible fixed assets

GROUP	Freehold land and buildings £	Leasehold property £	Furnishings fittings and equipment £	IT systems £	Motor vehicles £	2020 Total £
COST OR VALUATION						
At 1 st April 2019	9,229,437	125,413	715,012	30,725	140,406	10,240,993
Additions	31,170	25,470	78,014	3,700	17,995	156,349
Disposals	-	(3,144)	(26,019)	-	(36,000)	(65,163)
At 31 st March 2020	<u>£9,260,607</u>	<u>£147,739</u>	<u>£767,007</u>	<u>£34,425</u>	<u>£122,401</u>	<u>£10,332,179</u>
ACCUMULATED DEPRECIATION						
At 1 st April 2019	4,754,055	72,517	353,223	17,510	114,317	5,311,622
Charge for year	355,461	19,995	89,627	8,323	15,797	489,203
Disposals	-	(3,144)	(26,019)	-	(36,000)	(65,163)
At 31 st March 2020	<u>£5,109,516</u>	<u>£89,368</u>	<u>£416,831</u>	<u>£25,833</u>	<u>£94,114</u>	<u>£5,735,662</u>
NET BOOK VALUE						
At 31 st March 2020	<u>£4,151,091</u>	<u>£58,371</u>	<u>£350,176</u>	<u>£8,592</u>	<u>£28,287</u>	<u>£4,596,517</u>
At 31 st March 2019	<u>£4,475,382</u>	<u>£52,896</u>	<u>£361,789</u>	<u>£13,215</u>	<u>£26,089</u>	<u>£4,929,371</u>
CHARITY	Freehold land and buildings £	Leasehold property £	Furnishings fittings and equipment £	IT systems £	Motor vehicles £	Total £
COST OR VALUATION						
At 1 st April 2019	9,229,437	45,973	493,977	26,400	124,285	9,920,072
Additions	31,170	-	65,321	3,700	-	100,191
Disposals	-	-	-	-	(36,000)	(36,000)
At 31 st March 2020	<u>£9,260,607</u>	<u>£45,973</u>	<u>£559,298</u>	<u>£30,100</u>	<u>£88,285</u>	<u>£9,984,263</u>
ACCUMULATED DEPRECIATION						
At 1 st April 2019	4,754,055	45,973	196,919	17,510	108,272	5,122,729
Charge for year	355,461	-	62,873	8,890	9,892	437,116
Disposals	-	-	-	-	(36,000)	(36,000)
At 31 st March 2020	<u>£5,109,516</u>	<u>£45,973</u>	<u>£259,792</u>	<u>£26,400</u>	<u>£82,164</u>	<u>£5,523,845</u>
NET BOOK VALUE						
At 31 st March 2020	<u>£4,151,091</u>	<u>-</u>	<u>£299,506</u>	<u>£3,700</u>	<u>£6,121</u>	<u>£4,460,418</u>
At 31 st March 2019	<u>£4,475,382</u>	<u>-</u>	<u>£297,058</u>	<u>£8,890</u>	<u>£16,013</u>	<u>£4,797,343</u>

Notes to the financial statements for the year ended 31st March 2020 (cont'd)

13. Fixed asset investments

Fixed asset investments comprise:

	Group		Charity	
	2020	2019	2020	2019
	£	£	£	£
Listed investments	2,988,146	3,877,842	2,988,146	3,877,842
Cash held by investment managers	63,193	39,320	63,193	39,320
	£3,051,339	£3,917,162	£3,051,339	£3,917,162

	2020	2019
	£	£
Listed investments		
Market value 1 st April 2019	3,877,842	3,490,368
Proceeds	(1,446,866)	(1,493,882)
Acquisitions	916,388	1,741,693
(Losses)/gains on listed investments	(359,218)	139,663
Market value 31 st March 2020	2,988,146	3,877,842
Cash held with investment managers	63,193	39,320
	£3,051,339	£3,917,162
Historic cost 31 st March 2020	£3,217,617	£3,590,091

At 31st March 2020, the listed investments comprised the following:

	2020	2019
	£	£
Fixed interest	420,742	417,049
UK equities	885,041	1,373,341
Overseas equities	1,307,828	1,589,753
Alternatives	374,535	497,701
	£2,988,146	£3,877,844

At 31st March 2020, the charity held no investments in excess of 5% of the market value of its portfolio.

Notes to the financial statements for the year ended 31st March 2020 (cont'd)

14. Debtors

	Group		Charity	
	2020 £	2019 £	2020 £	2019 £
DUE GREATER THAN ONE YEAR				
Rent Deposits	92,975	106,750	-	-
DUE WITHIN ONE YEAR				
Trade debtors	452,359	265,985	292,160	135,468
Amounts receivable from subsidiary undertakings	-	-	350,185	541,978
Amounts receivable from Joint Venture	41,188	46,143	41,188	46,143
Other debtors	1,534,756	621,279	1,339,756	584,135
Prepayments and accrued income	409,783	550,758	318,569	430,004
Corporation tax	15,000	100,934	-	-
	£2,546,061	£1,691,849	£2,341,858	£1,737,728

15. Creditors

	Group		Charity	
	2020 £	2019 £	2020 £	2019 £
DUE WITHIN ONE YEAR				
Trade creditors	224,944	192,448	136,935	173,566
Other creditors	49,843	84,768	49,843	69,641
Employer's pension contributions	72,953	60,059	72,953	60,059
Accruals and deferred income	630,595	419,456	256,387	178,979
Other taxes and social security	133,932	150,753	133,932	150,753
	£1,112,267	£907,484	£650,050	£632,998

Included above is deferred income which relates to income receivable in 2020/21, which can be analysed as follows:

	Group		Charity	
	2020 £	2019 £	2020 £	2019 £
Deferred income b/f	188,833	-	-	-
Deferred in the year	460,000	281,000	-	-
Released in the year	(348,166)	(92,167)	-	-
Deferred income c/f	£300,667	£188,833	£-	£-

Included within other creditors is a dilapidation reserve of £17,500 (2019: £27,500).

Notes to the financial statements for the year ended 31st March 2020 (cont'd)

16. Pension costs

Contributions to the pension schemes are charged to the Statement of Financial Activities in the year to which they relate and amounted to £454,828 (2019: £389,004). At the balance sheet date the amount outstanding to the schemes was £72,953 (2019: £60,059).

17. Restricted funds

Restricted income received from charitable activities was £698,299 from NHS England grants (2019: £640,107) and £nil from other grants (2019: NIL), totalling £698,299 (2019: £640,107).

Donor and Purpose of each fund	1st April 2019 £	Income £	Expenditure £	31st March 2020 £
NHS England Grants				
• <i>Children's Hospices Programme</i>	-	698,299	(698,299)	-
Wish List Fund				
• <i>Stained glass window</i>	5,539	-	-	5,539
Childwick Trust				
• <i>Hospice garden costs</i>	739	-	-	739
The Story of Christmas				
• <i>Shooting Star House refurb</i>	100	50,000	-	50,100
Dr N Saunders				
• <i>Medial equipment and activities</i>	10,254	-	(2,590)	7,664
Messrs Hoarne Trustees				
• <i>Siblings holiday</i>	20	-	(20)	-
Newman's Own Foundation				
• <i>Rocks and Pebbles and Music Festival</i>	386	-	(386)	-
In Memory of Olivia Lee				
• <i>Little Chasers and Sparklers</i>	2,421	-	(139)	2,282
MariaMarina Foundation				
• <i>Music festival and family support</i>	42,118	10,000	(43,400)	8,718
Katcando				
• <i>Christopher's equipment</i>	210	5,622	(2,536)	3,296
Max Galleni				
• <i>Project</i>	4,289	22,000	(2,007)	24,282
UPS				
• <i>Christopher's refurb</i>	3,262	-	-	3,262
Paul Strank Roofing				
• <i>Christopher's refurb & hoists</i>	3,573	18,000	(1,884)	19,689
Frankie Biggs IMO				
• <i>Christopher's use</i>	3,369	-	(504)	2,865
The Cup Trust				
• <i>Satellite hubs</i>	11,526	-	(11,526)	-
Mark Benevolent Fund				
• <i>Shooting Star House refurb</i>	10,128	-	-	10,128
Screwfix				
• <i>Shooting Star House refurb</i>	5,413	-	-	5,413

Notes to the financial statements for the year ended 31st March 2020 (cont'd)

17. Restricted funds (cont'd)

Donor and Purpose of each fund	1 st April 2019 £	Income £	Expenditure £	31 st March 2020 £
Smyth Family IMO				
• Christopher's and Shooting Star House refurb	39,905	45	-	39,950
Geoffrey Osbourne				
• Music cabin	9,129	17,112	(1,117)	25,124
Phelan Family				
• Hospice care at Christopher's	8,756	-	(5,291)	3,465
City Bridge Trust				
• Music therapist and counsellor	6,883	20,650	(27,533)	-
Hindhead Golf Club				
• Sensory walkway	-	18,634	(18,311)	323
Richmond Friends Group				
• SSH garden	-	9,400	-	9,400
Cranleigh Golf Club				
• Art Room at SSH	-	14,349	-	14,349
Hummingbird Trust				
• Symptom management and volunteer therapy	-	50,000	(50,000)	-
Cloudshift				
• London Marathon reception	-	5,000	-	5,000
Farnham Lions				
• Sensory walkway	-	6,771	-	6,771
Edward Gosling Foundation				
• Acheeva Bed	-	6,445	(6,445)	-
Tudor Foundation				
• Symptom management nurses	-	32,000	(32,000)	-
BBC Children In Need				
• Hospice at Home services	-	44,006	(44,006)	-
Burdett				
• Education and training	-	30,000	-	30,000
Sundry < £5,000				
• Various	67,155	47,223	(73,755)	40,623
	£235,175	£1,105,556	(£1,021,749)	£318,982

Notes to the financial statements for the year ended 31st March 2020 (cont'd)

17. Restricted funds (cont'd)

The table of restricted funds for the prior year is shown below:

Donor and Purpose of each fund	1 st April 2018 £	Income £	Expenditure £	31 st March 2019 £
NHS England Grants				
• <i>Children's Hospices Programme</i>	-	640,107	(640,107)	-
Wish List Fund				
• <i>Stained glass window</i>	5,554	-	(15)	5,539
Lewis Family Charitable Trust				
• <i>Pain and Symptom research</i>	1,421	-	(1,421)	-
Childwick Trust				
• <i>Hospice garden costs</i>	739	-	-	739
The Story of Christmas				
• <i>Shooting Star House garden</i>	100	-	-	100
Dr N Saunders				
• <i>Medial equipment and activities</i>	9,677	3,793	(3,216)	10,254
Messrs Hoarne Trustees				
• <i>Siblings holiday</i>	20	-	-	20
Department of Health (X-Factor)				
• <i>Hospice at home care</i>	-	5,460	(5,460)	-
Newman's Own Foundation				
• <i>Rocks and Pebbles and Music Festival</i>	506	-	(120)	386
In Memory of Olivia Lee				
• <i>Little Chasers and Sparklers</i>	2,736	-	(315)	2,421
MariaMarina Foundation				
• <i>Music festival and family support</i>	39,750	53,000	(50,632)	42,118
Katcando				
• <i>Christopher's equipment</i>	5,426	-	(5,216)	210
The Tudor Foundation				
• <i>Symptom management costs</i>	-	25,000	(25,000)	-
Max Galleni				
• <i>Project</i>	4,039	250	-	4,289
UPS				
• <i>Christopher's refurbishment</i>	25,027	-	(21,765)	3,262
Paul Strank Roofing				
• <i>Christopher's refurbishment</i>	6,385	-	(2,812)	3,573
Frankie Biggs IMO				
• <i>Christopher's use</i>	7,896	1,895	(6,422)	3,369
The Cup Trust				
• <i>Satellite hubs</i>	11,526	-	-	11,526
The February Foundation				
• <i>Hospice at Home nurses</i>	-	4,000	(4,000)	-
BBC Children in Need				
• <i>Hospice at Home care</i>	-	43,653	(43,653)	-
Mark Benevolent Fund				
• <i>Shooting Star House refurbishment</i>	-	22,000	(11,872)	10,128

Notes to the financial statements for the year ended 31st March 2020 (cont'd)

17 Restricted funds (cont'd)

Donor and Purpose of each fund	1 st April 2018 £	Income £	Expenditure £	31 st March 2019 £
Screwfix				
• <i>Shooting Star House refurbishment</i>	-	10,000	(4,587)	5,413
Smyth Family IMO				
• <i>Christopher's and Shooting Star House refurbishment</i>	-	68,409	(28,504)	39,905
Geoffrey Osbourne				
• <i>Music cabin</i>	-	9,129	-	9,129
Phelan Family				
• <i>Hospice care at Christopher's</i>	-	8,756	-	8,756
City Bridge Trust				
• <i>Music therapist and counsellor</i>	-	20,650	(13,767)	6,883
Sundry < £5,000				
• <i>Various</i>	49,268	46,619	(28,732)	67,155
	<u>£170,070</u>	<u>£962,721</u>	<u>(£897,616)</u>	<u>£235,175</u>

18. Endowed funds

Group and Charity

	1 st April 2019 £	Income £	Expenditure £	31 st March 2020 £
The Robina Endowment fund	<u>£59,434</u>	<u>-</u>	<u>-</u>	<u>£59,434</u>
	1 st April 2018 £	Income £	Expenditure £	31 st March 2019 £
The Robina Endowment fund	<u>£56,434</u>	<u>-</u>	<u>-</u>	<u>£59,434</u>

Endowed funds represent a donation received where income would support music therapy.

19. Tangible fixed asset fund

The tangible fixed asset fund represents charitable funds invested in operational fixed assets. This fund is maintained so as to be able to clearly identify the free (general) reserves on the balance sheet in the context of the charity's reserve policy. The balance of the fund is equal to the net book value of tangible fixed assets.

Notes to the financial statements for the year ended 31st March 2020 (cont'd)

20. Unrealised investment gains

Included within the total funds of the group and charity the cumulative unrealised gains as follows:

Unrealised gains / (losses):

	2020 £	2019 £
On listed investments	87,459	464,645
Total unrealised gains at 31 st March 2020	£87,459	£464,645

Reconciliation of movements in unrealised gains

Total unrealised gains at 1 st April 2019	464,645	328,653
Less: in respect of disposals in the year	(17,968)	(3,671)
Add: net (losses)/gains arising on revaluation in the year	(359,218)	139,663
Total unrealised gains at 31 st March 2020	£87,459	£464,645

21. Analysis of net assets between funds

Group	Tangible Fixed Assets £	Intangible Fixed Assets £	Investments £	Net current assets £	2020 Total £
General funds	-	30,746	3,051,339	2,337,158	5,419,243
Fixed Asset funds	4,596,517	-	-	-	4,596,517
Restricted funds	-	-	-	318,982	318,982
Endowed funds	-	-	-	59,434	59,434
Non-charitable subsidiary reserves	-	810,897	-	265,021	1,075,918
Total funds	£4,596,517	£841,643	£3,051,339	£2,980,595	£11,470,094

Group	Tangible Fixed Assets £	Intangible Fixed Assets £	Investments £	Net current assets £	2019 Total £
General funds	-	35,223	3,917,162	1,486,921	5,439,306
Fixed Asset funds	4,929,371	-	-	-	4,929,371
Restricted funds	-	-	-	235,175	235,175
Endowed funds	-	-	-	59,434	59,434
Non-charitable subsidiary reserves	-	831,667	-	(26,963)	804,704
Total funds	£4,929,371	£866,890	£3,917,162	£1,754,567	£11,467,990

Notes to the financial statements for the year ended 31st March 2020 (cont'd)

21 Analysis of net assets between funds (cont'd)

Charity	Tangible Fixed Assets £	Intangible Fixed Assets £	Investments £	Net current assets £	2020 Total £
General funds	-	30,746	3,051,339	3,536,664	6,618,749
Fixed Asset funds	4,460,418	-	-	-	4,460,418
Restricted funds	-	-	-	318,982	318,982
Endowed funds	-	-	-	59,434	59,434
Total funds	£4,460,418	£30,746	£3,051,339	£3,915,080	£11,457,583

Charity	Tangible Fixed Assets £	Intangible Fixed Assets £	Investments £	Net current assets £	2019 Total £
General funds	-	35,223	3,917,162	2,682,355	6,634,740
Fixed Asset funds	4,797,343	-	-	-	4,797,343
Restricted funds	-	-	-	235,175	235,175
Endowed funds	-	-	-	59,434	59,434
Total funds	£4,797,343	£35,223	£3,917,162	£2,976,964	£11,726,692

22 Cash flows from operating activities

Reconciliation of net income/(expenditure) to net cash flow from operating activities

	2020 £	2019 £
Net expenditure for the reporting period	2,104	(1,867,898)
Adjustments for:		
Amortisation charge	112,729	100,972
Depreciation charges	489,203	463,428
Losses/(gains) on investments	359,218	(139,663)
Dividends, interest and rents from investments	(118,942)	(117,610)
Decrease in debtors	(854,212)	(517,380)
Increase in creditors	204,783	121,933
Net cash generated by/(used in) operating activities	£194,883	£(1,956,218)

Notes to the financial statements for the year ended 31st March 2020 (cont'd)

23 Analysis of cash and cash equivalents

Analysis of cash and cash equivalents

	2020 £	2019 £
Cash in hand	1,546,801	970,202
Cash held with investment managers	63,193	39,320
Total cash and cash equivalents	£1,609,994	£1,009,522

24 Commitments under operating leases

At 31st March 2020 the group had total commitments under non-cancellable operating leases as follows:

	2020 £	2019 £
Land and buildings		
Within one year	424,345	644,596
Between two and five years	795,466	1,770,490
In over five years	-	740,117
	£1,219,811	£3,155,203
Other		
Within one year	7,970	7,970
Between two and five years	12,765	20,901
Over five years	-	-
	£20,735	£28,871

25 Post balance sheet events

Since the year end the charity has entered into negotiations with its landlord and surrendered the lease of its administrative office at Bridge House, Addlestone, Surrey. This action was taken in response to a post year end review of costs to assist with securing the future financial viability of the charity. The lease had a 10 year term ending in July 2027 at an annual cost of £220,000. The surrender deed was dated 30th September 2020 and a settlement of £620,000 was paid to the landlord to satisfy all outstanding and future liabilities under the lease. The net impact on 2020/21 will be a charge of £447,000 as a provision of £173,000 for rent payable and dilapidations was included at 31st March 2020.

26 Capital commitments

There were no capital commitments to report.

27 NHS pension scheme

Some past and present employees are covered by the provisions of the NHS Pensions Scheme. Details of the benefits payable under these provisions can be found on the NHS Pensions website at www.nhsbsa.nhs.uk/pensions. The scheme is an unfunded, defined benefit scheme that covers NHS employers, GP practices and other bodies, allowed under the direction of the Secretary of State, in England and Wales. The scheme is not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, the scheme is accounted for as if it were a defined contribution scheme: the cost to the charity of participating in the scheme is taken as equal to the contributions payable to the scheme for the accounting period.

Notes to the financial statements for the year ended 31st March 2020 (cont'd)

28 Consolidated statement of financial activities for 2019

	Notes	Un-restricted Funds	Restricted Funds	Endowed funds	Total 2019
		£	£	£	£
Income and endowments from					
Donations and legacies	2	3,400,523	322,614	-	3,723,137
Other trading activities					
Retail and other income		1,647,776	-	-	1,647,776
Lottery income		135,859	-	-	135,859
Events and other income		1,024,733	-	-	1,024,733
	3	2,808,368	-	-	2,808,368
Investment income	5	117,610	-	-	117,610
Charitable activities					
NHS England Grants	4		640,107	-	640,107
Other charitable assessed income	4	659,526	-	-	659,526
		659,526	640,107	-	1,299,633
Other income:					
Net interest in the results of the joint venture		391,781	-	-	391,781
Other income	6	93,833	-	-	93,833
Total income and endowments					
		7,471,641	962,721	-	8,434,362

Notes to the financial statements for the year ended 31st March 2020 (cont'd)

28 Consolidated statement of financial activities for 2019 (cont'd)

Expenditure on:	Notes	Un-restricted Funds £	Restricted Funds £	Endowed Funds £	Total 2019 £
Raising funds					
Costs of generating donations		1,605,690	-	-	1,605,690
Costs of managing investments		21,909	-	-	21,909
Trading activities		1,646,780	-	-	1,646,780
		<u>3,274,379</u>	<u>-</u>	<u>-</u>	<u>3,274,379</u>
Expenditure on charitable activities					
Hospice care		4,066,359	786,613	-	4,852,972
Hospice at home		821,822	74,958	-	896,780
Therapy		376,846	36,045	-	412,891
Practice education & quality		256,123	-	-	256,123
Care support costs		748,778	-	-	748,778
		<u>6,269,928</u>	<u>897,616</u>	<u>-</u>	<u>7,167,544</u>
Total expenditure	7	<u>9,544,307</u>	<u>897,616</u>	<u>-</u>	<u>10,441,923</u>
Net income/(expenditure) before transfers and investment gains / (losses)	8	(2,072,666)	65,105	-	(2,007,561)
Net gains on investment assets	13	139,663	-	-	139,663
Net gain on sale of investment property	13	-	-	-	-
		<u>(1,933,003)</u>	<u>65,105</u>	<u>-</u>	<u>(1,867,898)</u>
Net income/(expenditure) and net movement in funds					
Fund balances at 1 st April 2018		13,106,384	170,070	59,434	13,335,888
Fund balances at 31st March 2019	21	<u>£11,173,381</u>	<u>£235,175</u>	<u>£59,434</u>	<u>£11,467,990</u>