



Claire House
CHILDREN'S HOSPICE

TRUSTEES' REPORT

AND CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

CHAMPION ACCOUNTANTS LLP

Statutory Auditors, 2nd Floor, Refuge House, 33-37 Watergate Row, CHESTER, CH1 2LE

Charity no. 1004058 Company reg no. 02620240

WELCOME

TO OUR 2020-21 ANNUAL REPORT



“Coming to Claire House was like getting a family. One big family,”

JODIE WILLIAMS, MUM OF LOLA (PICTURED), WHO COMES TO CLAIRE HOUSE.

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REPORT OF THE TRUSTEES

(INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) FOR THE YEAR ENDED 31 MARCH 2021

The Trustees, who are also the Directors for the purposes of company law, present their report and the consolidated financial statements of the Charity and its subsidiary for the year ended 31 March 2021, which are also prepared to meet the requirements for a Directors' report and accounts for Companies Act purposes.

The Trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102) in preparing the annual report and financial statements of the charity.

CHAIRS AND CEO'S REPORT



Even in our darkest moments we never predicted a global pandemic which would affect our society at every level. From March 2020, over half of our staff were working from home; care services like counselling and therapies went virtual overnight; shops closed and our ability to fundraise was sliced in half.

Throughout all this our dedicated Care Team did not stop, even though it felt like the rest of the world was on pause. Together, we focussed on what we could do. We continued to provide outstanding care to those who needed it most.

We supported 101 children to die in dignity and safety at home, at Claire House, or in hospital. We remained open to emergency care and, even when we couldn't

visit a family face to face, we were able to support them virtually in many different ways - thanks to the versatility and can-do attitude of the whole organisation.

The children and families whom we support have faced incredible hardship. We have told many of their stories throughout this report - of families like Zoey, Liam and Scarlet, who have lived together in hospital throughout the pandemic.

Funding has been utterly unpredictable. There were times in the year where we feared the worst. However, thanks to the dedication of our supporters and Hospice UK, who worked closely with the Government, we finished this most chaotic of years in surplus. As a result, we may even be able to bring our important future plans, paused by the pandemic, back to the table during 2021-22.

Of these plans, the need to develop our services in and around Liverpool is of the highest priority. Although we have been delayed by at least two years, we remain 100% committed to our vision to one day reach every child and family that needs our support.

This annual report is our story of a year like no other - a year when, despite everything, we continued to do our very best for the children and families who need us and, by the time it was over, we had begun to turn this chaos into opportunity.

There are brighter times ahead. When they come, Claire House will be ready.

Eileen Baidam

Chairman of Board of Trustees and Consultant Paediatric and Adolescent Rheumatologist at Alder Hey Children's Hospital

WHY WE EXIST AND OUR VISION

WHEN YOUR CHILD IS DYING, YOU HAVE ONE CHANCE TO GET THEIR CARE ABSOLUTELY RIGHT.

At Claire House we go to extraordinary lengths to help seriously and terminally ill children make the most of the time they have, however long or short that time may be.

Claire House provides specialist nursing care to babies, children and young adults, both at the hospice and at home. This includes end of life care, emergency respite, hospital support, day care and a range of groups, in addition to short breaks allowing children with complex health needs to have fun whilst their parents get a well-deserved rest.

In partnership with other healthcare providers, we are leading the way in developing children's palliative and end-of-life care for the region.

But Claire House is about more than medical care. Our Counselling and Therapy Teams support the whole family – whilst a child is living and after they die. Our Specialist



Nurses and Butterfly Coordinators work with children and families to try to achieve their 'bucket lists', including memory making sessions to help them create cherished keepsakes that last a lifetime.

However, right now, due to the pandemic and rising numbers of children with life-limiting conditions, local families are being pushed to their limits and need hospice care like never before.



"The last few months have been long, hard, isolating and tiring and at times we've felt abandoned. Claire House has been the number one support for us, without a shadow of a doubt,"

SAYS MUM ALISON RUSTON WHOSE DAUGHTER JESS COMES TO CLAIRE HOUSE.

OUR VISION

Every dying child, and their family, gets the very best support when and where they need it.

OUR PLANS FOR THE NEXT TWO YEARS



We have committed to transform, emerging strong, resilient, effective and united, so that we are significantly closer to achieving our vision once the pandemic is behind us.



We will find new ways to make a difference to even more children and their families by at least maintaining our capacity and growing our influence externally with service providers and governing bodies.

OUR PRIORITIES INCLUDE:

WORKING TOGETHER WITH AND FOR CHILDREN AND FAMILIES

We will deliver excellent, safe services, prioritising those most in need, in line with what we can afford.

EMBEDDING TRANSFORMATION

We will build on our learnings from Covid-19, embracing change, implementing transformation strategies, and maintaining a razor-sharp focus on effectiveness.

ENSURING REACHING OUT IS CENTRED AROUND IMPACT

We will develop measures that allow us to improve our impact and will ensure we showcase the impact we deliver.

BELIEVING THAT TOGETHER WE REALLY ARE STRONGER

We will develop a great culture, underpinned by our values, ensuring we value all staff equally, and will collaborate externally to enhance our impact.

FOCUSING ON OUR FUTURE

We will develop our vision for future services and will build a platform for income generation success, refocusing on the areas that can deliver the greatest impact.

HOW WE HELPED DYING CHILDREN AND THEIR FAMILIES – IN NUMBERS



445

Total caseload (this includes families who are currently receiving care, as well as those who were discharged or died during 2020-21)



101

Families supported at end of life, at home in the hospice or in hospital

404

Nights of emergency respite (unplanned) care provided, which is a break provided at times of crisis because of a healthcare or social emergency



28

Families who used the butterfly suite, a chilled room where children can rest after they die



655

Virtual individual counselling sessions





CHARLIE'S STORY

TEN-YEAR-OLD CHARLIE HAS COMPLEX MEDICAL CONDITIONS INCLUDING A RARE BRAIN DISORDER CALLED LISSENCEPHALY. HE CANNOT SIT UP, WALK OR TALK. DURING LOCKDOWN HIS MUM SHIRLEY EXPLAINED WHAT LIFE WAS LIKE.

"Charlie is loud and happy with an amazing smile, but in lockdown he's just not been his chirpy self. He's been quite sad.

It was hard at first, knowing that all the support you'd had before was gone. It's like your routine is set in stone and you're the physio, teacher, nurse, doctor.

Our days are long and tiring. He wakes at least twice during the night, then wakes early, has his meds and

breakfast, then sleeps for an hour, then physio, lunch and a walk on the path.

When someone from Claire House rang to see how we were, we said we were exhausted. We were told we could have some emergency care - the first break we'd had in four months.

It was a little holiday for Charlie, and a much-needed break for us."

STRATEGIC REPORT

OUR CARE SERVICES



The services we provide both at home and in the community, have a massive impact on seriously and terminally ill children and their families.

OUR CARE FITS INTO:

- Planned care (short breaks at the hospice or home, day care and groups for different ages)
- Emergency care (emergency stays in the hospice, for example when a carer becomes unwell or a family needs support with symptom management)
- 24/7 Rapid Response team who provide specialist nursing and end-of-life care, be it at home, hospital or in the hospice. This team is supported by our Palliative Care Consultant who works jointly with Claire House and Alder Hey.

CARE SERVICE AIMS AND ACHIEVEMENTS

From the onset of the pandemic our Care Team was challenged like never before. Ways of working had to be changed, with many services, such as counselling, going virtual immediately. To keep our doors open we went to great lengths to source personal protective equipment (PPE) and provide a Covid-safe environment for children, families and our care staff.

We focused on the areas that had most impact, prioritising end of life and emergency respite care, dealing with more complex cases than ever before. We supported shielding families and our colleagues in the NHS, helping keep children out of hospital and providing support and advice 24 hours a day.

When restrictions eased, we opened up, providing planned respite care and hydrotherapy, to families who had been pushed to their limits. We helped families deal with the death of their child, when the usual support from friends and communities was not there.

"I'm proud to say, that when life has been at its most challenging, our team has been at its very best," said Janet Sutherland Oakes, Director of Clinical Services.

HELPING SUPPORT THE NHS AND SHIELD VULNERABLE CHILDREN

Because parents shielding a vulnerable child felt very scared and anxious about going to hospital, we took steps to make their lives easier. We set up a 24-hour telephone helpline, so we were there for families who wanted advice.

We provided enhanced symptom management to keep children out of hospital, and step-down care to get any children who did have to be admitted out of hospital as soon as possible. We also continued with hospital visits to the most poorly children.

DEATHS AND END-OF-LIFE

We prioritise providing end-of-life care and giving families a choice of where their child dies, whether that be hospital, the hospice or their home.

The Rapid Response Team provides emergency on-call care in the community. This has enabled critically ill babies and children to be transferred out of the neonatal and critical care units to their preferred place of death (hospice or home).



"I said from the word go that I would never let my son suffer and Claire House helped us to make sure the end of Charlie's life was peaceful and pleasant. Without places like this, our situation would be close to impossible,"

ANDY ROOKE, WHOSE SON CHARLIE RECEIVED END OF LIFE CARE AT THE HOSPICE.

BUTTERFLY SUITE AND BEREAVEMENT SUPPORT

When a child dies our Butterfly Team is on hand to support families at the most difficult time of their lives. Families can stay at the hospice, whilst their child is in one of our chilled rooms, called Butterfly suites.

The team are specialists in everything from assisting with funeral arrangements; to helping families to decorate the Butterfly suites with mementos and arranging for family and friends to come to visit.

Due to Covid restrictions, on top of losing a child, families had to deal with the trauma of only a limited number of people being able to attend any ceremony. The support of our Butterfly and Bereavement Teams helped them through this impossibly difficult time.

EMERGENCY RESPITE

Offering help to families when their children came out of hospital, there was a crisis, or their care package broke down became even more important in the pandemic, as families could not call on support from their wider family or community.

"At the hospice they really went above and beyond for Jess. They knew she'd struggle with PPE; as she really hates it and rips it off. So, they had some fully unicorn-ed gowns and visors with Disney characters on.

"I don't think we'd have got here without Claire House. It would have been a million times harder than it has been," said Alison Ruston whose daughter Jess came to the hospice after a stay in hospital.

These changes will continue into 2021-22, as will our efforts to constantly look at the best ways to meet the needs of the families and children who depend on us.

WORKING WITH COMMISSIONERS AND PUBLIC SERVICES

We now have commissioning relationships with every Clinical Commissioning Group (CCG) in our catchment area. The development of these relationships is a priority for us as Cheshire and Merseyside moves to become one Integrated Care System.

"Our opportunity to influence has never been greater as we welcome invitations to sit on strategic boards and subgroups in our sector, playing a key role in the development and implementation of the National Palliative and End of Life Care Strategy," said Janet Sutherland Oakes, Director of Clinical Services.

FEEDBACK ON OUR SERVICES, INCLUDING DETAILS OF OUR LATEST CQC REPORT

In 2020-21 we had no formal complaints from services users. Whilst we did limit the amount of planned respite offered, we also dealt with some very complex cases.

We are delighted to have been rated as 'Outstanding' by the Care Quality Commission (CQC). The regulator of health and social services in England visited the Wirral hospice for its two-day inspection in October 2019.

"We thought our move to online counselling was a temporary measure, but some of our families find leaving the house a challenge under normal circumstances and have welcomed the virtual offer. We will therefore continue to provide a mix of face to face and online sessions, meeting the needs of all our families,"

COUNSELLOR RACHAEL HOGG.



TRANSFORMING OUR SERVICES

Realising that for the good of the children and families we support, we must turn the chaos caused by the pandemic into an opportunity, we looked at how we could transform our services to better serve the needs of the families who depend on us.

We needed to limit the time that families spent in the hospice to cut the risk of Covid transmission and make things more efficient. So we cut our pre-admission times from two hours to 15 minutes, doing more of the paperwork with families before their visit.

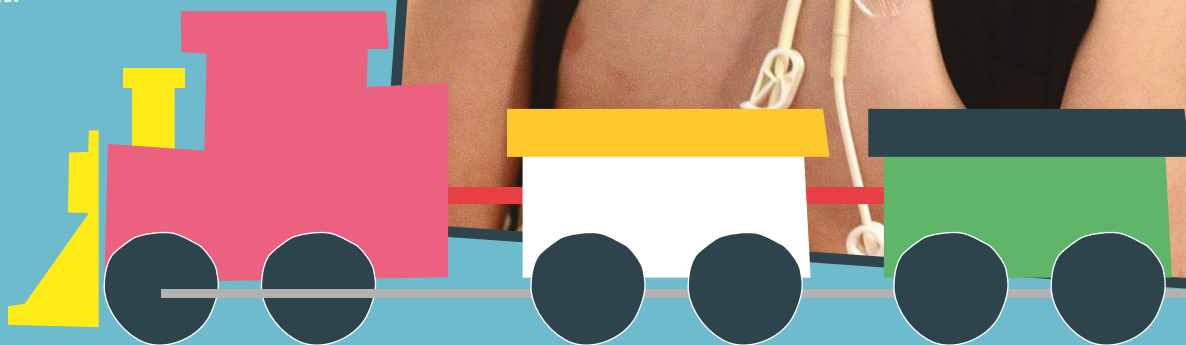
Outstanding is the highest rating given by the CQC and is achieved by only a small percentage of healthcare organisations. The organisation received 'outstanding' in the areas of: caring; responsive; and well-led; and 'good' in safe and effective.

It was recognised that the hospice provides exceptional high-quality, responsive care to seriously and terminally ill children and their families.

According to the report, parents of children who used Claire House services said: "It's a fantastic place. My daughter loves it there. The staff are excellent," and "The aftercare has been superb".

LIAM'S STORY

MUM ZOEY HAS LIVED WITH HER SON LIAM AND DAUGHTER SCARLET IN HOSPITAL FOR THE PAST YEAR.



"Lockdown has been really difficult.

Liam is six years old. He has an undiagnosed condition. He's got intestinal failure, so he requires tube feeding 24 hours a day. He's also on the autism spectrum.

He is a cheeky chappy. He loves trains, everything there is about trains.

I've not got any family support, so my daughter Scarlet, who is eight, has been staying here at the hospital with Liam and me.

Every day is different with Liam, but we basically just sit in the room all day with him. He doesn't really like to play with his sister, so I have to try to keep them both entertained.

Liam's got a lot of sensory issues so, when Katy from Claire House recognised that he likes to have the feel of something heavy on him she got him a weighted blanket.

We placed it by his feet and he slowly pulled it up over his legs, then tummy and under his chin and he had a big beaming smile on his face from ear to ear. He hadn't smiled like that for a while.

Liam doesn't accept many people into his life but he really has accepted Katy. She's helped him in so many ways and given us ways we can help him as well."

Sadly, Liam passed away in 2021. Thank you to his family for allowing us to use his story.



KATY FOX, OCCUPATIONAL THERAPIST

"I am part of the team who support Liam. I help children participate in daily life activities to improve their well-being and reach their potential.

When families are in hospital, our team provides emotional support and offers extra services, like physiotherapy, play and complementary therapies.

We can't fix what families are going through or make their child better, but we can support them through it and be there for them."

OUR ESTATES AND FACILITIES

This year our focus was on providing Covid-safe environments at both our Wirral and Liverpool sites, so our staff could continue their essential work.

Early in lockdown the building plans to develop a second hospice in West Derby, Liverpool were put on hold due to uncertainty about our fundraised income and the difficulty of carrying out construction work in the pandemic.

We are undeterred from our dream of a second site, as the need is quite clear. However, we cannot go ahead until we have secure funding in place to build it and to run it long

after it opens. We hope to bring the development of Claire House Liverpool back to the table during 2021-22.

At our Liverpool site, (purchased in 2018), we currently offer day-care, counselling and complementary therapies. During the pandemic, the site played a vital role in enabling us to continue to provide safe services.

Whilst the plans for the wider Liverpool hospice development have been put on hold, we were able to re-start the project to build a glazed atrium, kindly funded by the Steven Gerrard Foundation.

OUR FUNDRAISING

When times have been tough, our extraordinary supporters have amazed us with their unfaltering support. We are eternally grateful to all those who found creative ways to raise money for us in this very challenging year.

In 2020-21 we raised £4.5m gross, down 12% on last year. However, due to our diverse streams of income, the charity was not as badly affected as many organisations.

KEY HIGHLIGHTS

Whilst Covid-19 restrictions meant we had to cancel or postpone many of our face-to-face events, we launched new initiatives such as the Virtual Butterfly Bake, where people had bake sales at home, and the Step Up Challenge, where people climbed an equivalent number of steps to scaling some of our biggest national landmarks.

Many supporters came up with their own fundraising events, such as Elizabeth, whose story is below:

"A more blended approach to our roles has allowed us to focus on areas that will have the greatest impact on sustainable income, such as statutory funding, trusts and foundations, lottery and gifts in wills. This flexibility is something we will continue to adopt as we welcome back grassroots fundraising activities that have been on hold for so long,"

**GILLIAN NOVE,
DIRECTOR OF INCOME GENERATION.**



CHASING RAINBOWS

Elizabeth, aged 10, set herself a challenge of doing something she had never done before.

"I know how much Claire House needs donations, especially in these difficult times, and I wanted to do my bit," said Elizabeth.

Elizabeth completed her run along the Wirral coastline and was greeted by a beautiful rainbow. She was blown away when she managed to raise an incredible £2,048 for the hospice.

Despite the pandemic, our partnership with M&S Bank has gone from strength to strength. Their fundraising has ranged from walking and running

48,000 miles as a team, to holding a virtual event, M&S Bank's Got Talent. So far, the partnership has raised £138,568.80.

"This year we have had to think differently about how we support our local charity partner Claire House, but it was so important to our colleagues that we come up with ideas to continue to fundraise and volunteer. We are proud of all of our colleagues who have put their hands up to help out!" said M&S Bank.

Although their restaurants had to close during lockdown, Mowgli Street Food continued to fundraise as soon as they reopened. The partnership has raised £163,522.57 and they're now planning the Dog Show 2021 as well as supporting us with '£1 on the Bill' and other activities.

GIFTS IN WILLS

We are very grateful to those who left us a gift in their will, meaning that their support continues making a difference long after they are gone. This will be one of our biggest organisational fundraising priorities as we start looking forward to the next few years and beyond.

TRUSTS AND FOUNDATIONS

Many thanks to The Cheshire Community Foundation, The Community Foundation for Merseyside, The National Lottery Community Fund and The Steve Morgan Foundation who helped fund our Family Support Service during the pandemic. Thanks also to The Duchy of Lancaster Benevolent Fund for supporting our Butterfly Team, who provide bereavement support. Children In Need continued their loyal support of our Play Programme and sibling activities and support.

We are also grateful to the quick, flexible Covid emergency funding provided by organisations such as the Albert Hunt Trust and The National Lottery Community Fund, as well as the existing funders who took a flexible approach to their work with us in these extraordinary times.

OUR APPROACH TO FUNDRAISING

We know that if we're able to raise more money, we can help more children. To achieve this, we continually focus on giving our supporters a fantastic experience, in the hope that they will continue to support Claire House for the long-term.

OUR FUNDRAISING STANDARDS

Donors to Claire House can be assured that we comply with the regulatory standards for fundraising. We are registered with the Fundraising Regulator and are committed to the Fundraising Promise and adherence to the Code of Fundraising Practice. We require any third parties to also be signed up to the code.

Our in-house fundraising team use professional fundraisers to help us deliver certain fundraising initiatives, such as lottery and regular giving recruitment. This involves face-to-face recruitment in venues and on a door-to-door basis. We also sometimes use telephone fundraising

agencies. They are used for lottery recruitment campaigns and regular giving recruitment and enhanced loyalty campaigns. We view every third party as an extension of our in-house team and we do inductions with all their new staff. We also invite them into the hospice annually to keep up to date with our work.

We have safeguards in place when working with suppliers so that we protect our supporters and the reputation of our charity. Several of our in-house fundraising team are members of the Chartered Institute of Fundraising and the whole team has access to regular training from recognised industry bodies.

We log all communications on our fundraising customer relationship management system and have clear supporter journeys which means no supporter is subjected to persistent approaches. We are also signed up to the Fundraising Preference Service to enable individuals to opt out from receiving fundraising communications from us.

HELPING SUPPORTERS AND ADDRESSING COMPLAINTS

We are passionate about improving and we value feedback on how our supporters think we can do this. Our website outlines our complaints policy and clearly explains how an individual can complain. We received no supporter complaints in 2020-21 in comparison to nine the previous year.





RETAIL

2020-21 was a challenging year for our Retail department. The closure of the shops during lockdown and the subsequent restrictions led to a significant drop in income, resulting in losses of around £700k. One area that performed well was our eBay shop, which continued trading throughout the pandemic.

With the future of the High Street uncertain, the organisation took the difficult decision to restructure the whole Retail department. This meant closing eight shops,

reducing the support team, outsourcing the furniture collection service and reviewing all our operational costs and opportunities. It was very difficult to say goodbye to valued staff and volunteers, and we are extremely grateful for their dedication and hard work over the years.

Looking to the future, the Retail department is now in a leaner and stronger position, with a more streamlined structure which we expect will deliver solid and steady income for the organisation for many more years to come.

STAFF, VOLUNTEERS AND INFRASTRUCTURE

Although Claire House is the name given to our buildings and facilities, it is our dedicated staff and volunteers who ensure we provide outstanding care to so many children and their families.

During 2020-21 we helped staff work safely and efficiently from home, whilst providing a Covid-safe environment at our sites for those who needed to come in to work. We also furloughed some staff, if their workload had drastically reduced, allowing us to safeguard charity funds.

As staff faced increased stresses both in their personal lives and at work we focused on wellbeing, providing regular updates and practical hints and tips. We have 20 mental health first aiders who provide active signposting to support and free counselling for staff who need it.

With many volunteer roles suspended during lockdown, the team took an active stewardship approach, keeping in touch with all volunteers and welcoming some back, such as drivers, gardeners and reception volunteers, when it was safe to do so.



SUE'S STORY

During the pandemic our volunteer befrienders helped us keep in touch with our volunteers: Sue Hannah, who also volunteers on our reception desk said:

"Becoming a befriender gave me the opportunity to speak to people and help them. A lot of them are quite elderly, so they were shielding and didn't have any family or friends. It made me want to volunteer."



FINANCIAL REVIEW

In what was a year filled with financial uncertainty and complex challenges for the Care Team, Claire House spent £4.8m (2019-20: £5.2m) on care for dying children and other service-related activities.

The Fundraising Team generated a total net income during this period of £3.86m (2019-20: £4.2m), inclusive of legacy income, lottery income, gifts in kind, and the associated gift aid from tax recovery.

Claire House Shops were very badly affected by the restrictions imposed because of the virus and, after offsetting government grants made to support the retail and hospitality sector, incurred a deficit for the organisation £1,056,396 (2019-20 positive contribution of £328,000). This deficit for the year was after charging restructure and redundancy costs.

Claire House maintained its strong relationships with public healthcare commissioners, who invested in services which provided both a cost saving to the NHS and better outcomes for the child and the family. The total value of Clinical Commissioning Group funding in 2020-21 was £759,464 (2019-20: £806,614).

In addition to this, Claire House received a continuation of its NHS England grant of £593,183 (2019-20: £395,455), designed to provide an element of interim public sector funding until a more reliable funding structure is implemented. NHS England also provided a grant of £95,935 (2019-20: £88,935) towards the NHS pension contribution incurred by the organisation.

During the year the NHSE awarded funding of £1,784,353. This was to allow the hospice to make available bed capacity and community support from April 2020 to July 2020, to provide support to children and young people with complex needs in the context of the COVID-19 situation and to provide bed capacity and community support from November 2020 to March 2021 for the same purpose.

Investments during the year contributed £85,942, a drop of £8,131 compared to the previous year.

Overall, at 31 March 2021, Claire House had a surplus on unrestricted funds before movements on investments of £1,458,204 (2019-20: £858,682).

INVESTMENT POWERS & POLICY

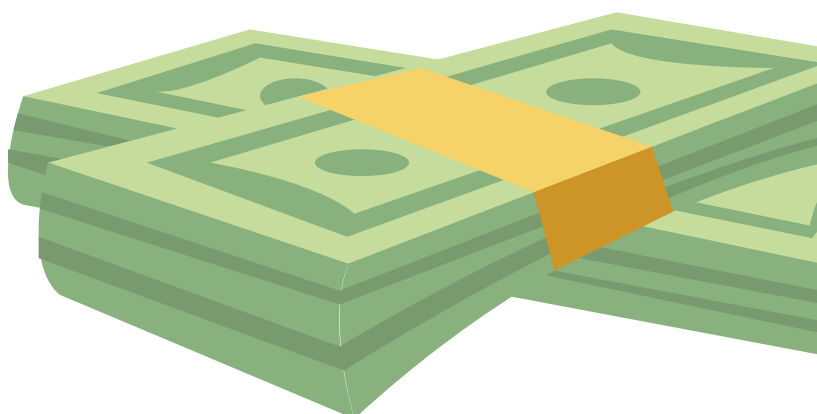
At 31 March 2021, £3,570,161 of the charity's reserves was managed by Investec, with due consideration of risk and of ethical issues. The investment policy was discussed and agreed by the charity's Investment Committee and also with the full Trustee body.

RESERVES POLICY

The Trustees have established the level of reserves that the charity ought to have as £3.9m after a detailed analysis of the financial risks to which it is exposed. It is a reflection of the financial security it would require should one of its significant funding streams dip and the time it would take to replace any such diminished funding while still maintaining services. An example of this would be a change in the NHS England grant or a drop in gifts in wills, a vital yet unpredictable source of support, as has proven the case this year.

As of 31st March 2021, Claire House held approximately £7 million in free reserves (excluding tangible fixed assets). The context of the charity's reserve fund is important: much of its income remains unpredictable, with major risks including Brexit, the state of the economy post-Covid19, public sector funding fluctuations and fluctuating gifts in wills.

The charity has significant challenges to overcome in order to recover from the impact of Covid-19 and is likely to need to use a portion of these reserves to do so. The development of the West Derby site will require significant investment and the free reserves will enable the organisation to move forward with these plans when the time is right. The Trustees believe that the reserves held will protect the charity and maintain services as it seeks to recover, and in time progress, with the overall aim that every dying child and their family, gets the very best support when and where it is needed.



PRINCIPAL RISKS AND UNCERTAINTIES

THE PRINCIPAL RISKS AND UNCERTAINTIES FACED BY CLAIRE HOUSE IN 2020-21 WERE DOMINATED BY COVID-RELATED ISSUES:

FINANCIAL SECURITY

We began the year, pre-Covid, hoping to continue to strengthen our predictable and sustainable income. Instead, alongside the whole Hospice movement, Claire House had to contend with a significant drop in income from Community, Events and Corporate fundraising sources – with very little ability to predict when or if these important sources of income might bounce back. Although emergency Government funding and higher than expected gifts in wills helped us to a positive financial position by the end of the year, we will not be able to move forward until we see the sustained recovery of the fundraising environment.



THE ABILITY TO DELIVER ON OUR STRATEGY

Covid forced us to pause our long-term strategy to develop our services and in particular at our site in Liverpool. This was in order to protect our existing services and ensure that we would be able to meet the needs of the children and families we were already committed to during the pandemic. We hope to bring the development of Claire House Liverpool back to the table during 2021-22.



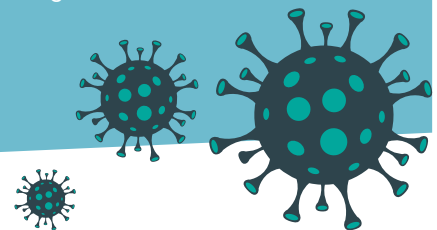
THE IMPACT OF NURSE VACANCIES

Due to Covid, and to protect the long-term future of Claire House, we decided to pause recruitment across the organisation until we had greater confidence in our financial position. This included recruitment into nursing roles which has been challenging as activity increased. Nurse recruitment will continue to be difficult and it will take time to recruit to the level that we need to be able to deliver our long-term vision.



THE WIDER IMPACT OF THE PANDEMIC ON THE WELLBEING OF OUR STAFF

Every aspect of our lives has been touched by Covid-19. For all of our staff and volunteers there has been increased pressure at work and at home; some roles have been made redundant and some have had to work harder than ever just to keep on top of the daily challenges we have faced. We know this pressure has and will continue to have a significant effect on the wellbeing of our staff.



GOVERNANCE STRUCTURE AND MANAGEMENT OF CLAIRE HOUSE

GOVERNING DOCUMENT AND LEGALITIES

Claire House is a company limited by guarantee, not having share capital, and governed by its Articles of Association.

Claire House is registered as a charity with The Charity Commission, with its principal object to offer palliative, end-of-life care and support to children who have life threatening or terminal illnesses, and their families.

The Charity is registered with the Care Quality Commission as a hospice for children and young people from 0-23 and is subject to regular inspection. Its most recent inspection carried out in October 2019, rated Claire House as 'Outstanding' (read the details of the report by visiting: www.cqc.org.uk/location/1-116772470)

APPOINTMENT OF TRUSTEES

As set out in the Articles of Association the Board of Trustees should consist of no less than three and no more than 12 Members.

Trustees normally serve for a maximum of six years, although in exceptional circumstances (as happened this year) the Board may, with the unanimous consent of all the Trustees, decide that such a Trustee may put themselves forward for reappointment to a maximum of 8 years.

If a Trustee position becomes available, or if the Board decides that an individual with a particular skill-set would be beneficial to the charity's governance, an open recruitment process is conducted usually involving an external publicity campaign in order to find the best possible candidates for the role.

All Trustees are subject to enhanced Disclosure and Barring Scheme checks and rigorous reference checks.

TRUSTEE INDUCTION, TRAINING AND DEVELOPMENT

New Trustees undergo an induction process to ensure that they understand their legal obligations under charity and company law, the content of the Articles of Association, the Board and decision-making process, the strategic plan and the recent performance of the Charity.

The Trustees complete an annual skills and performance audit to understand how they can learn, develop and grow as a Board. Every meeting ends with a review of that meeting, again to ensure that the Board is constantly striving to enhance its performance.

ORGANISATION

The Board of Trustees administers the Charity and meets once every three months. There is a separate trading subsidiary, Claire House Shops Limited, which has a separate Board of Directors. The Board is supported by a number of committees, made up of Board members, volunteer subject matter experts and the relevant members of the Executive team.

These committees are: Clinical Governance, Audit and Risk, Health and Safety, Investment, Income Generation & Comms and People (which includes the important area of volunteering as well as paid staff).

A Chief Executive Officer is appointed by the Trustees to manage the day to day operations of the Charity. To facilitate effective operations the CEO has delegated authority, within the terms of delegation approved by the Trustees, for all operational matters.

The Trustees set the long-term goals for the organisation and the CEO translates this into a strategy and business plan which is then delivered by the CEO and the Executive Team.

PAY POLICY FOR SENIOR STAFF

The Trustees are committed to ensuring that there is a clear process in place for the setting of salaries within the Charity, and that all staff are paid fairly for their roles and responsibilities. This is achieved by having every role, including key management personnel, evaluated by an external specialist and regularly benchmarked against similar roles in other comparable organisations.

In June 2018 all paid roles were benchmarked by Croner Reward, a business specialising in salary benchmarking and job evaluation. In addition, the 'learn, develop and grow' framework was further developed to encourage all staff to 'be the best they can be', regardless of their position. This, alongside the continued development of volunteering, ensures that all paid staff and volunteers are truly valued for their hard work and dedication to the cause.

RELATED PARTIES

Claire House Shops Limited is a wholly-owned subsidiary of Claire House (via two £1 shares) and is consolidated as part of these accounts. Claire House Shops Limited sells merchandise and receives commission on the sale of Gift Aided donations.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Charity Name	Claire House
Charity Registration Number:	1004058
Company Registration Number:	02620240
Trustees (in the period and at the date of approval):	Dr E Baildam Dr A Stewart V Lawton J Gittins M Thomas Dr H J Butterworth H J Smallman (Resigned Nov 2020) L Williams (Appointed May 2020)
Principal and Registered Office:	Claire House Children's Hospice Clatterbridge Road Bebington Wirral Merseyside CH63 4JD
Key Management personnel (in the period and at the date of approval):	
Company Secretary:	J Wallace
Chief Executive:	D Pastor
Director of Care:	J Sutherland Oakes
Director of Income Generation	G Nove
The Charity's professional advisors are as follows:	
Auditors:	Champion Accountants LLP 2nd Floor Refuge House 33-37 Watergate Row Chester, CH1 2LE
Bankers:	Lloyds Bank plc Liverpool Law Courts Liverpool, L2 1TS
Solicitors:	Lees & Partners 44-45 Hamilton Square Birkenhead, Wirral, CH41 5AR
Investment Manager	Investec Wealth & Investment Limited The Plaza 100 Old Hall Street Liverpool, L3 9AB

TRUSTEES RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS

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

Company law requires the charity trustees to prepare financial statements for each year, which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing the financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue to operate.

The trustees are responsible for keeping adequate accounting records that disclose, with reasonable accuracy at any time, the financial position of the charitable company and to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company, and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information, of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make them aware of any relevant audit information and to establish that the auditor is aware of that information.

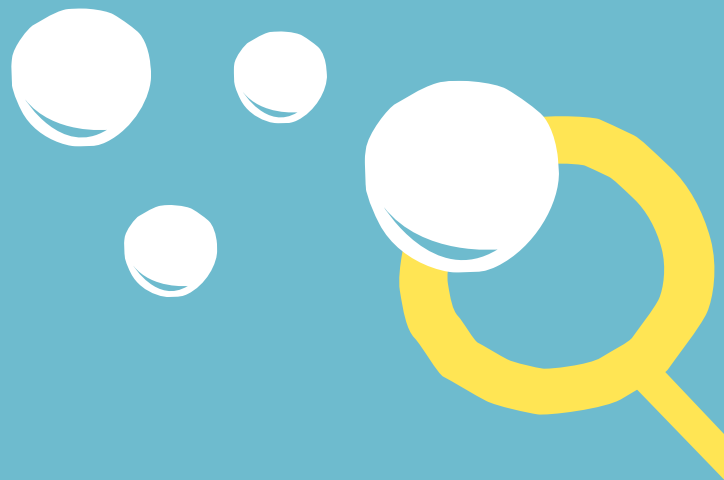
The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

In approving the Trustees' Annual Report we also approve the Strategic Report, included therein, in our capacity as company directors.

Signed by order of the Trustees by:

E BAILDAM
Trustee

Date:



INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS AND TRUSTEES OF CLAIRE HOUSE
FOR THE YEAR ENDED 31 MARCH 2020

OPINION

We have audited the financial statements of Claire House Children's Hospice (the 'charity') and its subsidiaries (the 'group') for the year ended 31 March 2021 which comprise the consolidated statement of financial activities, the consolidated and charity balance sheet, the consolidated statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. 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 charitable company's affairs as at 31 March 2021 and of the group's incoming resources and application of resources, 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 accounts section of our report. We are independent of the group and the charity in accordance with the ethical requirements that are relevant to our audit of the accounts 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.

CONCLUSIONS RELATING TO GOING CONCERN

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

OTHER INFORMATION

The trustees are responsible for the other information. The other information comprises the information included in the Report of the Trustees, 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 our audit:

- the information given in the Report of the Trustees, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report and the strategic report included within the Report of the Trustees 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 charity and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report and the strategic report included within the Report of the Trustees.

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 charity, or returns adequate for our audit have not been received from branches not visited by us; or
- The charity's 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; or

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charity 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 charity'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 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

EXTENT TO WHICH THE AUDIT IS CONSIDERED CAPABLE OF DETECTING IRREGULARITIES, INCLUDING FRAUD

The responsibility for the prevention and detection of irregularities, including fraud, lies with the trustees and with those charged with governance. The objectives of our audit in respect of irregularities and fraud are to assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient, appropriate audit evidence regarding the assessed risks and to respond appropriately to fraud or suspected fraud identified during the audit.

AUDIT PROCEDURES

We determine significant applicable laws and regulations through discussion with those charged with governance and our own knowledge of the industry and design audit procedures to help identify instances of non-compliance with those laws and regulations that may have a material effect on the financial statements.

We consider the applicable laws and regulations to be the financial reporting framework (FRS 102 and the Companies Act 2006), Charity Law, the relevant tax regulations in the UK, employment law, the Health and Safety at Work Act 1974, Care Quality Commission Regulations and Safeguarding legislation.

We consider the control environment and the procedures in place to address identified risks, including management override, non-compliance with laws and regulations and to prevent and detect fraud or irregularity. Our procedures are designed to provide reasonable assurance that the financial statements are free from material misstatement or error and include: enquiries of management and of staff in key compliance functions; review of reports from regulators; review of minutes of meetings of those charged with governance; review and testing of manual journals, relevant nominals and significant transactions outside the normal course of business; review of financial statement disclosures and testing to supporting documentation; performance of analytical procedures.

We are not responsible for preventing non-compliance and due to the inherent limitations of an audit, as described above, the audit cannot be relied upon to detect all instances of non-compliance with laws and regulations.

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

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 auditors' 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.

SUSAN HARRIS MA ACA

(Senior Statutory Auditor)

for and on behalf of Champion Accountants LLP

Chartered Accountants

Statutory Auditor, 2nd Floor Refuge House,
33-37 Watergate Row, Chester, CH1 2LE

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

(INCLUDING INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 MARCH 2021

	Notes	Unrestricted Funds £	Restricted Funds £	Total Funds £	Total Funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	3,816,060	2,977,321	6,793,381	5,669,844
Charitable activities	3	786,788	-	786,788	821,018
Other trading activities	4	1,987,149	-	1,987,149	3,433,800
Investments	5	85,942	-	85,942	94,073
Other	6	1,685	-	1,685	6,036
Total income and endowments		6,677,624	2,977,321	9,654,945	10,024,771
EXPENDITURE ON					
Raising funds					
Cost of generating voluntary income	7	774,891	2,400	777,291	1,051,270
Fundraising trading: cost of goods sold and other costs	8	2,711,234	-	2,711,234	2,645,994
Events & Challenges Costs	9	15,458	-	15,458	127,540
Investment management charge		17,360	-	17,360	16,347
Charitable activities	10/11	1,700,479	3,073,462	4,773,941	5,174,346
Total expenditure		5,219,422	3,075,862	8,295,284	9,015,497
Surplus of income over expenditure before net gains/(losses) on investment		1,458,202	(98,541)	1,359,661	1,009,274
Net gains/(losses) on investment assets	12	469,428	-	469,428	(251,947)
Net movement of funds		1,927,630	(98,541)	1,829,089	757,327
Reconciliation of funds					
- Total funds brought forward		9,277,856	2,441,974	11,719,830	10,962,503
- Total funds carried forward		11,205,486	2,343,433	13,548,919	11,719,830

The Statement of Financial Activities includes all gains and losses recognised during the year. All Income and Expenditure derive from continuing activities.

The notes on pages 26–46 form part of this report

CONSOLIDATED AND CHARITY BALANCE SHEET

FOR THE YEAR ENDED 31 MARCH 2021

		Group		Charity	
	Notes	2021	2020	2021	2020
		£	£	£	£
Fixed assets					
Tangible assets	17	6,075,161	6,270,039	6,075,161	6,270,039
Investments	19	3,570,161	3,046,368	3,570,163	3,046,370
		<u>9,645,322</u>	<u>9,316,407</u>	<u>9,645,324</u>	<u>9,316,409</u>
Current assets					
Stocks	20	37,217	36,637	14,542	14,079
Debtors	21	2,029,232	1,703,058	2,050,639	1,721,890
Cash at bank and in hand		2,643,085	1,344,110	2,642,051	1,343,353
		<u>4,709,534</u>	<u>3,083,805</u>	<u>4,707,232</u>	<u>3,079,322</u>
Liabilities					
Amounts falling due within one year	22	(805,937)	(680,382)	(805,937)	(678,202)
Net current assets		<u>3,903,597</u>	<u>2,403,423</u>	<u>3,901,295</u>	<u>2,401,120</u>
Net assets		<u>13,548,919</u>	<u>11,719,830</u>	<u>13,546,619</u>	<u>11,717,529</u>
THE FUNDS OF THE CHARITY					
Restricted income funds	24	2,343,433	2,441,974	2,343,433	2,441,974
Unrestricted funds:					
- General fund	25	9,605,486	8,327,856	9,603,186	8,325,555
- Designated reserve	25	1,600,000	950,000	1,600,000	950,000
Total funds		<u>13,548,919</u>	<u>11,719,830</u>	<u>13,546,619</u>	<u>11,717,529</u>

The consolidated financial statements were approved and authorised for issue by the Trustees on **13th September 2021** and were signed on their behalf by:

E Baildam – Chair

Company Number: 02620240

The notes on pages 26–46 form part of this report

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 2021

	Note	2021 £	2020 £
Net Cashflow from operating activities	28	1,498,168	473,004
Cashflow from investing activities			
Income from other fixed asset investment	5	85,306	90,035
Interest received	5	636	4,038
Payments to acquire tangible fixed assets	17	(232,455)	(264,404)
Acquisition of other investments	19	(459,825)	(486,824)
Disposal proceeds of tangible fixed assets	6	1,685	6,036
Disposal proceeds of investments		530,684	211,312
Net Cashflow from investing activities		(73,969)	(439,807)
Net increase in cash and cash equivalents		1,424,199	33,197
Cash and cash equivalents at beginning of year		1,369,354	1,336,157
Cash and cash equivalents at the end of the year		2,793,553	1,369,354

CASH AND CASH EQUIVALENTS CONSIST OF

Cash at bank and in hand	2,643,085	1,344,110
Short term deposits	150,468	25,244
Cash and cash equivalent at the end of the year	2,793,553	1,369,354

The notes on pages 26–46 form part of this report

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

I. ACCOUNTING POLICIES

GENERAL INFORMATION

The charity is a private company limited by guarantee, registered in England and Wales. The address of the registered office is Claire House Children's Hospice, Clatterbridge Road, Bebington, Wirral, Merseyside, CH63 4JD.

ACCOUNTING CONVENTION

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 (FRS102) effective January 2019 – Charities SORP (FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note below.

The financial statements are prepared in sterling, which is the functional currency of the charity, rounded to the nearest pound.

Claire House is a public benefit entity as defined by FRS 102.

BASIS OF CONSOLIDATION

The Consolidated Statement of Financial Activities, the Consolidated Balance Sheet and the Consolidated Statement of Cash Flows include the financial statements of the company and its subsidiary, Claire House Shops Limited, made up to 31 March 2021. There are uniform policies across the group and intra group transactions are eliminated on consolidation. Consolidation is on a line by line basis. A separate Statement of Financial Activities and Income and Expenditure Account for the charity has not been presented because the charity has taken advantage of the exemption afforded by Section 408 of the Companies Act 2006.

The surplus of the charity for the year ended 31 March 2021 was £1,829,089 (2020: £757,327).

GOING CONCERN

The trustees have considered the on-going situation with regard to COVID-19 as part of their going concern assessment. The view of the trustees is that, whilst they acknowledge the significant disruption that the pandemic has brought and will continue bring over the coming weeks and months, the trustees believe that the charity is well placed to negotiate the unique set of conditions currently facing the UK economy. The charity has a broad range of sources of income and has accessed all available sources of government funding, which has compensated for the fall in income. The charity believes that it will be able to manage the expected shortfall in the coming months. This gives the trustees comfort in being able to meet the charity's liabilities for the coming 12 months.

In reaching their conclusion, the trustees have reviewed the charity's monthly cash flows, applied sensitivity analyses as appropriate, and considered the various financial support measures that have been announced by the UK government.

After consideration of all factors, the trustees continue to adopt the going concern basis in preparing the financial statements.

THE FUNDS OF THE CHARITY

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds which have been set aside by the Trustees for specific purposes. The aim and use of each designated fund is set out in the notes to the Financial Statements.

Restricted funds are funds which are used in accordance with specific restrictions imposed by the donors or which have been raised by the Charity for particular purposes. The cost of raising and administering such funds are charged against these funds. The aim and use of each restricted fund is set out in the notes to the Financial Statements.

Investment income and gains are allocated to the appropriate funds.

INCOMING RESOURCES

All incoming resources are included in the Statement of Financial Activities when the Charity is legally entitled to the income, after performance conditions have been met, receipt is probable and the amount can be quantified with reasonable accuracy, except where sponsorship and monies are received for a Claire House Event which is to take place in the next financial year, and the funds are deferred.

For legacy income, entitlement is the earlier of the Charity being notified of an impending distribution or the legacy being received.

Gifts donated for resale are included as income when they are sold. Donated facilities are included at the value to the Charity where this can be quantified and a third party is bearing the cost. No amounts are included in the Financial Statements for the services donated by volunteers.

Gifts in kind are included at valuation (over £100) and recognised upon receipt.

Gift aid receivable / income tax receivable and investment income are accounted for on an accruals basis.

RESOURCES EXPENDED

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category.

Costs of generating voluntary income are those incurred in seeking voluntary contributions and do not include costs of disseminating information in support of the charitable activities.

Fundraising trading costs are those incurred in relation to the selling of donated and bought in goods as well as costs associated with running the members' lottery.

Events and challenges costs are those costs incurred in arranging fundraising events and sponsored challenges. Charitable activity costs are those costs incurred directly in support of expenditure on the objects of the Charity. Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

Governance costs represent the time proportion of staff salary costs required to prepare and provide the relevant information for the Trustees to carry out their proper duties together with specific governance costs related to legal and audit matters.

Support costs are those incurred in providing finance, human resources (HR), information and communication technology (ICT) and maintenance services, together with chief executive office costs (CEO).

GOVERNMENT GRANTS

Grants receivable are included in the Financial Statements when approval of the grants has been confirmed to the Charity, or when the Charity is legally entitled to the income, after performance conditions have been met, receipt is probable and the amount can be quantified with reasonable accuracy.

TANGIBLE FIXED ASSETS

Tangible fixed assets costing more than £2,000 (£1,000 prior to year ended 2012) are capitalised at cost including any incidental expenses of acquisition.

When a new lease is signed, the fitting out of the shop is capitalised. All significant refits of existing shops are also capitalised. Alterations and repairs are expensed.

DEPRECIATION

Depreciation is calculated so as to write off the cost of an asset (excluding land), less its estimated residual value, over the useful economic life of that asset as follows:

Freehold property	2% straight line
Equipment	written off over 5-7 years
Fixtures and fittings	written off over 3-7 years
Motor vehicles	written off over 3-7 years
Shop fixtures and fittings	written off over the
shorter	of the length of the lease
	or 5 years

Where it has been identified that the recoverable amount of a fixed asset is below its net book value the asset is written down to its recoverable amount and the impairment loss is recognised in the Statement of Financial Activities.

INVESTMENT ASSETS AND INCOME

Investments are recognised initially at fair value, which is normally transaction price, excluding transaction costs. Subsequently they are measured at fair value at the balance sheet date, subject to any permanent diminution in value. The Statement of Financial Activities includes the net gains and losses arising on revaluations and disposals during the year. Investments donated to the Charity are included as income as soon as the market value can be established after receipt of the shares. Investments in subsidiaries are measured at cost less impairment.

STOCKS

Stocks consist of purchased goods for resale and consumables. Stocks are valued at the lower of cost or net realisable value. Items donated for resale or distribution are not included in the Financial Statements until they are sold or distributed.

DEBTORS

Debtors receivable within one year are recognised at transaction price. Any losses arising from impairment are recognised in expenditure.

CASH AT BANK AND IN HAND

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

CREDITORS AND PROVISIONS

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount.

Deferred income includes:

- Income received for events taking place after the balance sheet date
- Unreleased discounts from retail premises rent free periods
- Lottery income received for draws taking place after the balance sheet date

FINANCIAL INSTRUMENTS

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of fixed asset investments which are subsequently measured at fair value where this can be reliably measured.

PENSION COSTS

The Charity contributes to the NHS Pension Scheme on behalf of qualifying employees and administers a defined contribution Pension Scheme for the benefit of its other employees. The assets of the scheme are held separately from those of the Charity. The annual contributions payable are charged to the Statement of Financial Activities.

OPERATING LEASES

Rentals paid under operating leases are charged to the income and expenditure on a straight-line basis over the period of the lease.

INCENTIVES

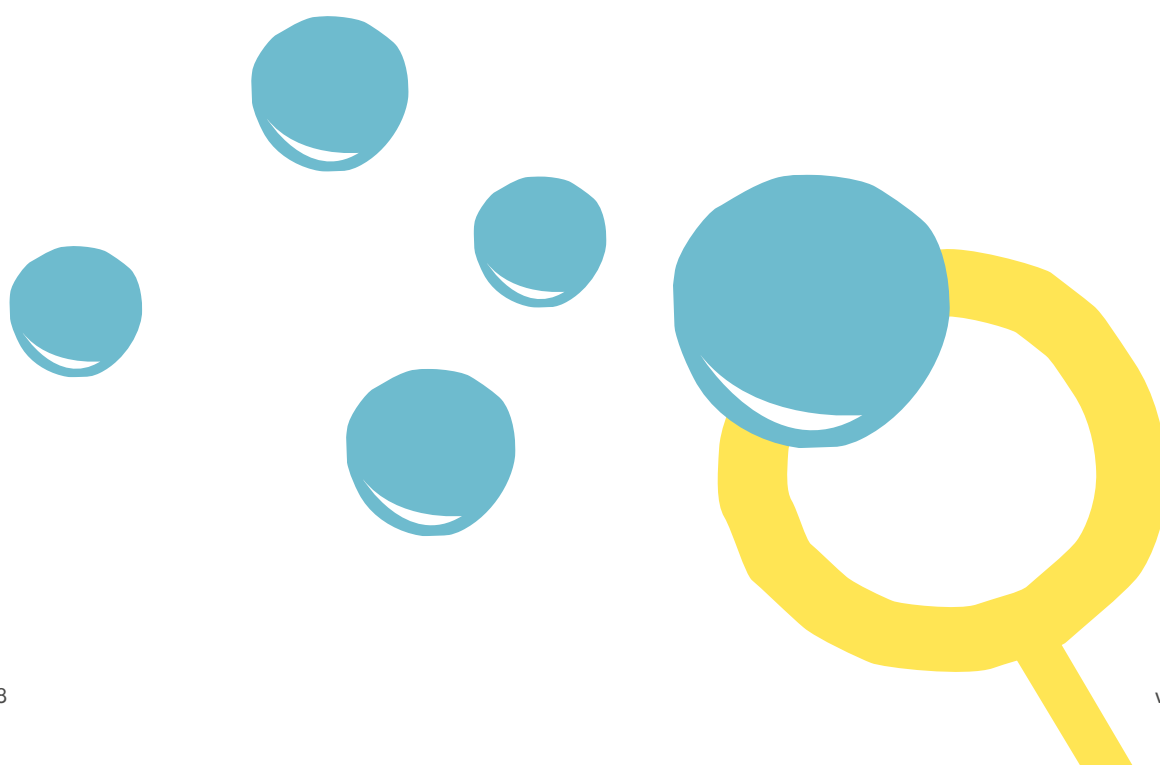
Rent free periods granted as an incentive when negotiating a new lease are written off over the initial lease period.

TAXATION

As a registered charity, the company benefits from rates relief and is generally exempt from Income Tax, Corporation Tax and Capital Gains Tax, but not Value Added Tax.

VOLUNTEERS

The value of services provided by volunteers is not incorporated into these financial statements. Further details of the contribution made by volunteers can be found in the Trustees Annual Report and note 2.



2. INCOME FROM DONATIONS AND LEGACIES

	Unrestricted Funds £	Restricted Funds £	Funds 2021 £	Funds 2020 £
Donations				
General	1,133,586	25,813	1,159,399	2,285,775
Company & Club	261,911	18,682	280,593	598,191
Covenanted income & regular giving	203,554	-	203,554	172,590
Trusts	51,703	444,299	496,002	670,334
Legacies	1,236,148	-	1,236,148	937,574
Gifts				
Donations in kind	-	7,716	7,716	115,990
Grants receivable				
Childrens Hospice Grant	-	1,784,353	1,784,353	-
NHS England Capacity and Community Support Grant	-	593,183	593,183	395,455
NHS Pension Scheme contribution	-	95,935	95,935	88,935
Coronavirus Job Retention Scheme	658,538	-	658,538	-
Covid-19 Retail Grant	270,620	7,340	277,960	405,000
	<u>3,816,060</u>	<u>2,977,321</u>	<u>6,793,381</u>	<u>5,669,844</u>

Income from donations and legacies was £6,793,381 (2020: £5,669,844) of which £3,816,060 (2020: £4,273,081) was unrestricted and £2,977,321 (2020: £1,396,763) was restricted.

Throughout 2020 and into 2021, Claire House made the decision to cease all volunteering in line with Government restrictions. Since restrictions have lifted we have seen a 12% drop in volunteers returning to us. Add to this shop closures, and our current numbers of active volunteers is 758. Given that volunteers have only partially volunteered with us throughout 2020/21 the support received in hours averaged at 47,299.

3. INCOME RESOURCES FROM CHARITABLE ACTIVITIES

	Unrestricted Funds 2021 £	Total Funds 2021 £	Unrestricted Funds 2020 £
Clinical Commissioning Group funding	759,464	759,464	806,614
Provision of training	27,324	27,324	14,404
	<u>786,788</u>	<u>786,788</u>	<u>821,018</u>

4. INCOME FROM OTHER TRADING ACTIVITIES

	Unrestricted Funds 2021 £	Rerestricted Funds 2021	Total Funds 2021 £	Unrestricted Funds 2020 £
General events	42,000	-	42,000	253,735
Challenges	-	-	-	51,891
Income from other trading activities	1,339,764	-	1,339,764	1,304,857
Sale of goods / services	605,385	-	605,385	1,823,317
	<u>1,987,149</u>	<u>-</u>	<u>1,987,149</u>	<u>3,433,800</u>

Income from other trading activities was £1,987,149 (2020: £3,433,800) of which £1,987,149 (2020: £3,368,733) was unrestricted and £Nil (2020: £65,067) was restricted.

5. INVESTMENT INCOME

	Unrestricted Funds 2021 £	Total Funds 2021 £	Unrestricted Funds 2020 £
Interest from investments & properties	85,306	85,306	90,035
Bank interest receivable	636	636	4,038
	<u>85,942</u>	<u>85,942</u>	<u>94,073</u>

6. OTHER INCOME

	Unrestricted Funds 2021 £	Total Funds 2021 £	Unrestricted Funds 2020 £
Profit on disposal of assets	1,685	1,685	6,036
VAT reclaimed for prior years	-	-	-
	<u>1,685</u>	<u>1,685</u>	<u>6,036</u>

7. COSTS OF GENERATING VOLUNTARY INCOME

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £	Total Funds 2020 £
Staff costs	603,903	-	603,903	680,496
Premises costs	1,903	-	1,903	1,565
Depreciation	21,320	-	21,320	20,578
Travel	2,536	2,400	4,936	21,704
Other costs	145,229	-	145,229	326,927
	<u>774,891</u>	<u>2,400</u>	<u>777,291</u>	<u>1,051,270</u>

Costs of generating voluntary income were £777,291 (2020: £1,051,270) of which £774,891 (2020: £1,048,870) was unrestricted and £2,400 (2020: £2,400) was restricted.

8. FUNDRAISING TRADING COST OF GOODS SOLD AND OTHER COSTS

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £	Total 2020 £
Merchandise costs	14,131	-	14,131	22,714
Staff costs	1,423,171	-	1,423,171	1,252,950
Premises costs	690,885	-	690,885	620,194
Depreciation	130,971	-	130,971	101,380
Travel	44,435	-	44,435	73,899
Other trading activity costs	289,560	-	289,560	415,383
Other costs	118,081	-	118,081	159,474
	<u>2,711,234</u>	<u>-</u>	<u>2,711,234</u>	<u>2,645,994</u>

Costs of fundraising trading were £2,645,994 (2019: £2,447,027) of which £2,645,994 (2019: £2,446,827) was unrestricted and £Nil (2019: £200) was restricted.

9. COSTS OF EVENTS AND CHALLENGES

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £	Total Funds 2020 £
Events and Challenges	15,458	-	15,458	127,540

Costs of events and challenges were £15,458 (2020: £127,540) of which £15,458 (2020: £125,690) was unrestricted and £Nil (2020: £1,850) was restricted.

10. COSTS OF CHARITABLE ACTIVITIES BY FUND TYPE

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £	Total Funds 2020 £
Hospice activities undertaken directly	477,342	3,024,835	3,502,177	3,736,033
Support costs	1,199,131	48,627	1,247,758	1,414,369
Governance costs	24,006	-	24,006	23,944
	1,700,479	3,073,462	4,773,941	5,174,346

Costs of charitable activities were £4,773,941 (2020: £5,174,346) of which £1,700,479 (2020: £3,867,358) was unrestricted and £3,073,462 (2020: £1,306,988) was restricted.

11. COSTS OF CHARITABLE ACTIVITIES BY ACTIVITY TYPE

	Hospice Activities undertaken directly £	Support Costs £	Governance Costs £	Total Funds 2021 £	Total Funds 2020 £
Staff costs	2,887,654	854,197	12,606	3,754,457	4,003,306
Premises costs	101,865	60,504	-	162,369	184,491
Depreciation	177,078	97,970	-	275,048	317,893
Professional fees	-	36,464	11,400	47,864	72,285
Operating costs	335,579	198,624	-	534,203	596,371
	3,502,176	1,247,759	24,006	4,773,941	5,174,346

Governance costs represent the time proportion of staff salary costs required to prepare and provide the relevant information for the Trustees to carry out their proper duties, together with specific governance costs related to legal and audit matters.

12. GAINS/(LOSSES) ON INVESTMENT ASSETS

	Unrestricted Funds 2021 £	Total Funds 2021 £	Unrestricted Funds 2020 £
Profit on sale of investment	93,832	93,832	36,840
Gain/(loss) on revaluation of investment assets (note 19)	375,596	375,596	(288,787)
	469,428	469,428	(251,947)

13. NET INCOME/(EXPENDITURE) FOR THE YEAR

	2021 £	2020 £
This is stated after charging:		
Depreciation	427,333	439,850
Auditors remuneration		
- Audit of the financial statements	11,400	11,100
- Accountancy services	1,100	1,080
Profit/(loss) on fair value movement of investments	375,596	(288,787)
Operating lease costs:		
- Land and buildings	480,614	395,714
	<u>480,614</u>	<u>395,714</u>

14. TRUSTEES' REMUNERATION

None of the Trustees received any remuneration, benefits in kind, or expenses during the year in respect of their duties as a trustee (2020: Nil).

15. ANALYSIS OF STAFF COSTS AND THE COST OF KEY MANAGEMENT PERSONNEL

	2021 £	2020 £
Wages and salaries	4,993,590	5,144,300
Social security costs	405,721	422,388
Pension costs	382,220	370,064
	<u>5,781,531</u>	<u>5,936,752</u>

The key management personnel of the parent charity and of its subsidiary, Claire House Shops Limited comprise the Chief Executive Officer, the Director of Care and the Head of Finance. The total employee benefits of the key management personnel were £221,290 (2020: £227,075).

16. PARTICULARS OF EMPLOYEES

The average number of staff employed during the year was 214 which includes 77 part time staff. The average number of full-time equivalent (FTE) staff employed during the year was 190. The average FTE is analysed by function as follows:

	2021	2020
	Number	Number
Number of nursing staff	87	89
Number of administrative staff	21	21
Number of management staff	7	7
Number of fundraising staff	19	21
Number of retail staff	56	58
	<u>190</u>	<u>196</u>

During the year the number of employees who earned more than £60,000 was as follows:

	2021	2020
	Number	Number
£60,000 - £70,000	1	1
£70,000 - £80,000	1	-
£80,000 - £90,000	-	1
	<u>-</u>	<u>1</u>

The employee earning over £60,000 participated in the NHS pension scheme to which the organisation contributed £13,463 (2020:£13,463).

The employee earning over £70,000 participated in the Claire House defined contribution pension scheme to which the organisation contributed £5,832 (2020: £5,983).

Total redundancy/termination payments in the year amounted to £83,059 (2020: £11,549).

17. TANGIBLE FIXED ASSETS

	Freehold property £	Fixtures and fittings £	Motor Vehicle £	Total £
Cost				
At 1 April 2020	7,561,026	2,311,554	343,101	10,215,681
Additions	14,582	217,873	-	232,455
Disposals	-	-	(21,250)	(21,250)
At 31 March 2021	<u>7,575,608</u>	<u>2,529,427</u>	<u>321,851</u>	<u>10,426,886</u>
Depreciation				
At 1 April 2020	1,859,543	1,777,029	309,070	3,945,642
Charge for year	150,936	264,281	12,116	427,333
Eliminated on disposal	-	-	(21,250)	(21,250)
At 31 March 2021	<u>2,010,479</u>	<u>2,041,310</u>	<u>299,936</u>	<u>4,351,725</u>
Net Book Value				
At 31 March 2021	<u>5,565,129</u>	<u>488,117</u>	<u>21,915</u>	<u>6,075,161</u>
At 31 March 2020	<u>5,701,483</u>	<u>534,525</u>	<u>34,031</u>	<u>6,270,039</u>

18. CHARGES

There is a legal charge over the site of the Hospice in favour of the Secretary of State for Health.

A further legal charge was created over the Hospice's land on the 27 March 2006 in favour of the National Lottery Charities Board. This charge relates to the £300,000 Big Lotto Grant.

Both charges will be enforced if the property ceases to be used as a Children's Hospice.

19. FIXED ASSET INVESTMENTS

Group and Charity

	2021 £	2020 £
Market value as at 1 April 2020	3,046,368	3,238,769
Acquisitions at cost	459,825	486,824
Disposals at cost	(436,848)	(174,471)
Increase/(Reduction) in cash balances	125,224	(215,967)
Net investment gains/(losses) on revaluations in the year	375,592	(288,787)
	<hr/>	<hr/>
Market value at 31 March 2021	3,570,161	3,046,368
	<hr/> <hr/>	<hr/> <hr/>
Historical cost at 31 March 2021	2,815,194	2,789,405
	<hr/> <hr/>	<hr/> <hr/>

Analysis of investments at 31 March 2021 between funds

	Unrestricted Funds £	Total Funds 2021 £	Total Funds 2020 £
Listed Investments			
Quoted fixed interest securities			
- UK Government Stock	517,839	517,839	532,323
- UK Fixed Interest	589,216	589,216	362,846
- Overseas Fixed Interest	216,065	216,065	203,448
	<hr/>	<hr/>	<hr/>
	1,323,120	1,323,120	1,098,617
Quoted Shares			
UK Equities	581,841	581,841	519,937
Overseas Equities	745,165	745,165	672,708
Property Funds	242,225	242,225	250,304
Alternative Assets	527,342	527,342	479,558
	<hr/>	<hr/>	<hr/>
	2,096,573	2,096,573	1,922,507
	<hr/>	<hr/>	<hr/>
Total of Listed Investments	3,419,693	3,419,693	3,021,124
Other Investments			
UK cash held as part of portfolio	150,468	150,468	25,244
	<hr/>	<hr/>	<hr/>
	3,570,161	3,570,161	3,046,368

Charity investments include £2 investment in Claire House Shops Limited, see note 27 for further details.

Listed investments

Listed investments at a historical cost of £2,664,726 (2020: £2,764,161) (excluding donated shares) are held by the Group and Charity and had a market value of £3,419,693 at 31 March 2021 (2020: £3,021,124).

20. STOCKS

	Group		Charity	
	2021 £	2020 £	2021 £	2020 £
Stock	37,217	36,637	14,542	14,079

21. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £	2021 £	2020 £
Amounts due from group undertakings	-	-	21,407	15,549
Income tax recoverable	53,981	147,084	53,981	147,084
VAT recoverable	46,127	46,873	46,127	49,753
Other debtors	130,898	157,781	130,898	158,184
Prepayments and accrued income	600,426	741,320	600,426	741,320
Legacies	1,197,800	610,000	1,197,800	610,000
	<u>2,029,232</u>	<u>1,703,058</u>	<u>2,050,639</u>	<u>1,721,890</u>

22. LIABILITIES: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Charity	
	2021 £	2020 £	2021 £	2020 £
Trade creditors	118,411	197,538	118,411	197,538
PAYE and Social Security	98,460	102,560	98,460	102,560
Pension contributions	48,716	45,920	48,716	45,920
Accruals	308,854	145,236	308,854	143,056
Deferred income	231,496	189,128	231,496	189,128
	<u>805,937</u>	<u>680,382</u>	<u>805,937</u>	<u>678,202</u>

Deferred income	£
Deferred income at 1 April 2020	189,128
Utilised in year	(189,128)
Received in year	<u>231,496</u>
Deferred income at 31 March 2021	<u>231,496</u>

23. OPERATING LEASE COMMITMENTS

Total future minimum lease payments under non-cancellable operating leases are as follows:

	2021 £	2020 £
Land and buildings:		
Within one year	356,632	409,536
Between one and five years	844,334	1,060,083
Later than five years	31,000	125,792
	<hr/> 1,231,966	<hr/> 1,595,411
	<hr/> <hr/>	<hr/> <hr/>

24. RESTRICTED FUNDS

Group and Charity	Balance at	Incoming Resources	Outgoing Resources	Balance at
	1 April 2020			31 March 2021
	£	£	£	£
Broome Family Charitable Trust	-	10,000	10,000	-
Children in Need	4,722	68,954	62,206	11,470
Claire Cain 40th Birthday	16,074		16,074	-
David & Ruth Lewis Family Charitable Trust	-	7,500	7,500	-
Denbighshire Council	-	7,340	-	7,340
Department of Health	-	2,377,536	2,377,536	-
Dorothy Hall Fund	12,000	-	-	12,000
Equipment	57,212	-	22,606	34,606
Hospice building	1,768,328	-	40,439	1,727,889
Liverpool One Foundation	6,953	-	6,953	-
Marian Elizabeth Trust	109,739	200,000	200,000	109,739
Morrisons Foundation	-	18,425	-	18,425
Mr David Spratt	2,747	-	-	2,747
Mr Robert Schofield Owen	-	10,000	-	10,000
National Lottery Community Fund	-	33,726	33,726	-
New Liverpool Site	16,036	407	-	16,443
NHS Pension Scheme grant	-	95,935	95,935	-
Shop Direct	176,546	-	71,961	104,585
Steven Gerrard Foundation	202,386	-	-	202,386
Tesco Community Grants	-	7,500	3,750	3,750
The Albert Hunt Trust	-	10,000	10,000	-
Under £5000 and anon	8,961	122,282	80,727	50,516
Vehicles	13,255	-	5,945	7,310
Gifts in kind	47,015	7,716	30,504	24,227
	<hr/> 2,441,974	<hr/> 2,977,321	<hr/> 3,075,862	<hr/> 2,343,433
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

All restricted funds are included in the Charity accounts

HOSPICE BUILDING AND VEHICLES

The Hospice, over the years, has received financial support from many trusts and organisations to enable it to build and extend the facilities our families need and provide transport so they can be supported in their place of choice. These grants are released to unrestricted funds in accordance with the depreciation charged on the associated projects and vehicles.

MEDICAL EQUIPMENT

The parents' bedroom are being fully refurbished due to money received from the **The Morrison's foundation and the UKH Foundation**. The grant will be released to unrestricted funds in accordance with the depreciation values attributable to the piece of equipment.

FAMILY SUPPORT & PLAY

Children in Need continue to support the play team, funding a therapeutic play project together this year with a **Tesco Community Grant**. Children in Need also funded the counselling team enabling them to support the siblings of the children we care for. Covid only increased the demand for support from this team, and with funding from the **National Lottery Community Fund** we managed to adapt services to ensure virtual counselling support was available for families throughout the height of the pandemic. The grants are written off to unrestricted funds as the costs are incurred or in line with the depreciation attributable to the costs incurred.

NURSING COST

The one to one care our families need means that nursing costs are a significant element of the cost of running Claire House. During the year the **The Albert Hunt Trust, Mr Robert Scholefield Owen, David and**

Ruth Lewis family charitable Trust and the Broome Family Charitable Trust have funded nursing roles that have enabled us to reach even more families. The Integrated Services team, who provide outreach care in the community and symptom management, have also been able to extend their services due the donation from the **Marian Elizabeth Trust**. The grants are written off to unrestricted funds as the costs are incurred.

NHS ENGLAND & NHS PENSION CONTRIBUTION

A grant is received to support the core Hospice costs & to subsidise the employers' pension contributions for staff who are members of the NHS pension scheme. The grants are released as the expenditure is incurred.

BUILDING PROJECTS

The retail shop in Prestatyn has been refurbished due a grant from Denbighshire Council.

EQUIPMENT AND ACTIVITIES

These grants are for £5,000 or less, or from trusts or donors who wish to remain anonymous and are used to purchase medical equipment, therapies, activities or outings and to support income generation. The funds are released according to the nature of the expenditure. This line also includes funds shown separately in prior years but now amalgamated here as the amount unspent is under £5,000.

GIFTS IN KIND

Roberts Bakery continue to kindly provided our bread delivery free of charge. and **M53 Ford** provide a vehicle for the Hospice to use plus a wide variety of other gifts, valued over £100. The gifts have either been charged as an expense or capitalised and the appropriate depreciation charged in the year.

Group and Charity	Balance at	Incoming Resources	Outgoing Resources	Balance at
	1 April 2019			31 March 2020
	£	£	£	£
Cheshire Community Foundation	-	5,725	5,725	-
Children in Need	2,428	46,415	44,121	4,722
Claire Cain 40th Birthday	-	73,660	57,586	16,074
Claire House Ball	-	65,067	65,067	-
Claude Ballard Southall Memorial Charity	-	5,365	5,365	-
Department of Health	-	395,455	395,455	-
Dorothy Hall Fund	10,024	12,000	501	21,523
Equipment	81,585	4,402	41,557	44,430
European Tour Charitable Foundation	-	21,000	21,000	-
Frodsham Nursing Fund	-	13,500	10,125	3,375
Hospice building	1,799,451	-	40,253	1,759,198
Jessies Fund	2,927	-	2,927	-
Liverpool One Foundation	-	9,271	2,318	6,953
Marian Elizabeth Trust	109,739	200,000	200,000	109,739
Mr David Spratt	12,000	-	123	11,877
Mr John Farrell	-	10,000	10,000	-
New Liverpool Site	10,836	200	-	11,036
NHS Pension Scheme grant	-	88,935	88,935	-
Openwork Foundation	-	10,000	10,000	-
Price Parry Charitable Trust	-	5,000	5,000	-
Shop Direct	226,491	-	49,945	176,546
Sir Jules Thorn Charitable Trust	-	5,001	5,001	-
St Mary's Church Knowsley Village	-	5,000	-	5,000
Steven Gerrard Foundation	-	202,386	-	202,386
The Albert Hunt Trust	-	7,000	7,000	-
The Sobell Foundation	-	5,000	5,000	-
Under £5000 and anon	-	55,458	49,872	5,586
Vehicles	24,721	-	11,466	13,255
Wayne Rooney Foundation	-	100,000	100,000	-
Wallace & Gromits Childrens	4,165	-	906	3,259
Gifts in kind	7,015	115,990	75,990	47,015
	2,291,382	1,461,830	1,311,238	2,441,974

HOSPICE BUILDING AND VEHICLES

The Hospice, over the years, has received financial support from many trusts and organisations to enable it to build and extend the facilities our families need and provide transport so they can be supported in their place of choice. These grants are released to unrestricted funds in accordance with the depreciation charged on the associated projects and vehicles.

MEDICAL EQUIPMENT

The **Dorothy Hall Fund** gave a donation to purchase a bath for the teenage wing. The grant will be released to unrestricted funds in accordance with the depreciation values attributable to the piece of equipment.

FAMILY SUPPORT & PLAY

Children in Need continue to support the play team, funding a project that focuses on the use of technology in therapeutic play and along with the **Liverpool One Foundation** and the **Cheshire Community Foundation** have funded the counselling team enabling them to support the siblings of the children we care for. The grants are written off to unrestricted funds as the costs are incurred or in line with the depreciation attributable to the costs incurred

MUSIC THERAPY

The **Cain family and friends**, to mark the year that Claire (the little girl who Claire House is named after) would have turned 40. raised funds to support our Music Therapy programme which makes a real difference to the children we support. The donation will be written off to unrestricted funds as the costs are incurred.

NURSING COST

The one to one care our families need means that nursing costs are a significant element of the cost of running Claire House. During the year the **Wayne Rooney Foundation, Mr John Farrell, the European Tour Charitable Foundation, the Sobell Foundation and the Frodsham Nursing Fund** have funded nursing roles that have enabled us to reach even more families. The Integrated Services team, who provide outreach care in the community and symptom management, have also been able to extend their services due the donation from the **Marian Elizabeth Trust**. The grants are written off to unrestricted funds as the costs are incurred.

CLAIRE HOUSE BALL

At the Claire House Ball donations were made to fund a variety of roles and activities at the hospice. The funds were released as the costs were incurred.

PHYSIOTHERAPY

This wide range of therapies we can offer allows us to look after the medical and holistic needs of the children and families who come to Claire House. During the year our physiotherapy services were funded by the **Claude Ballard Southall Memorial Charity, Openwork Foundation, Sir Jules Thorn Charitable Trust, and Price Parry Charitable Trust**. The grants are written off to unrestricted funds as the costs are incurred.

NHS ENGLAND & NHS PENSION CONTRIBUTION

A grant is received to support the core Hospice costs & to subsidise the employers' pension contributions for staff who are members of the NHS pension scheme. The grants are released as the expenditure is incurred.

BUILDING PROJECTS

The Steven Gerrard Foundation donation will enable us to convert an unused outdoor courtyard space at the Liverpool site into an indoor "glazed atrium" which will primarily be used by our young adults to meet, spend time together and to enjoy group sessions. **St Mary's Church Knowsley Village** gave a donation for the development of the Liverpool site. These grants will be released to unrestricted funds in accordance with the depreciation charged.

EQUIPMENT AND ACTIVITIES

These grants are for £5,000 or less, or from trusts or donors who wish to remain anonymous and are used to purchase medical equipment, therapies, activities or outings and to support income generation. The funds are released according to the nature of the expenditure. This line also includes funds shown separately in prior years but now amalgamated here as the amount unspent is under £5,000.

GIFTS IN KIND

Roberts Bakery continue to kindly provide our bread delivery free of charge. Also included is the cost of a garden designed and built by **The Greenfinger Trust** plus a wide variety of other gifts, valued over £100. The gifts have either been charged as an expense or capitalised and the appropriate depreciation charged in the year.

25. UNRESTRICTED FUNDS

	Group		Charity	
	Designated		Designated	
	General	Development	General	Development
	Funds	Funds	Funds	Funds
	£	£	£	£
As at 1 April 2020	8,327,856	950,000	8,325,555	950,000
Incoming resources	6,677,624	-	6,677,623	-
Outgoing resources	(5,219,422)	-	(5,219,420)	-
Gains and losses	469,428	-	469,428	-
Release of designated reserves	-	-	-	-
Amounts designated in the year	(650,000)	650,000	(650,000)	650,000
As at 31 March 2021	9,605,486	1,600,000	9,603,186	1,600,000

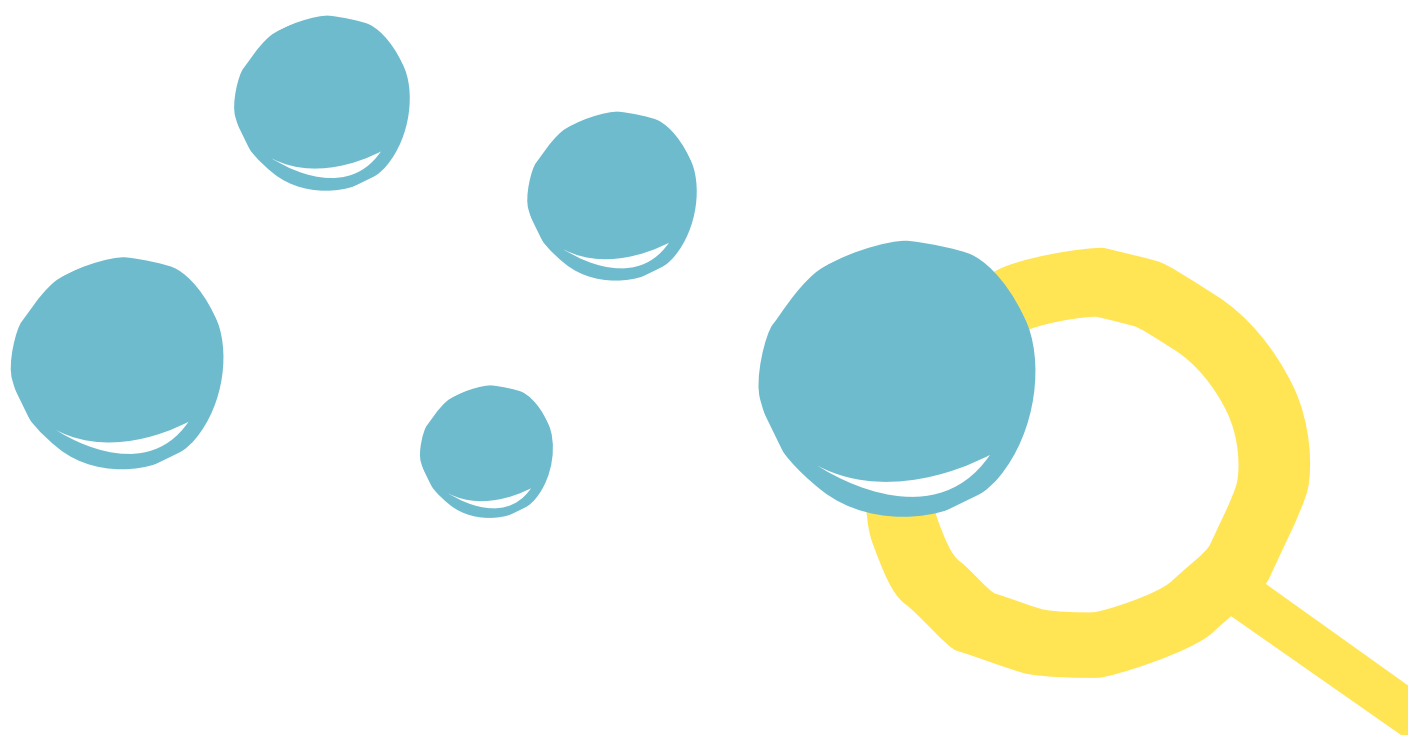
Designated Funds are unrestricted funds set aside by the trustees out of unrestricted general funds. The funds designated will be used to maintain the level of services needed to support our beneficiaries during the ongoing economic uncertainty caused by the pandemic, as well as providing a sinking fund to cover essential infrastructure costs and capital work at both the Wirral and Liverpool sites.

	Group		Charity	
	Designated		Designated	
	General	Development	General	Development
	Funds	Funds	Funds	Funds
	£	£	£	£
As at 1 April 2019	7,721,121	950,000	7,718,820	950,000
Incoming resources	8,562,941	-	8,562,941	-
Outgoing resources	(7,704,259)	-	(7,704,259)	-
Gains and losses	(251,947)	-	(251,947)	-
Release of designated reserves	-	-	-	-
Amounts designated in the year	-	-	-	-
As at 31 March 2020	8,327,856	950,000	8,325,555	950,000

Designated Funds are unrestricted funds set aside by the trustees out of unrestricted general funds to fund the capital work at both the Wirral and Liverpool sites, and ongoing communications, people services and fundraising projects.

26. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Tangible Fixed Assets £	Investments £	Net Current Assets £	Total 31 March 2021 £
Restricted Funds:				
Children in Need	-	-	11,470	11,470
Denbighshire Council	-	-	7,340	7,340
Dorothy Hall Fund	-	-	12,000	12,000
Equipment	34,606	-	-	34,606
Hospice Building	1,727,889	-	-	1,727,889
Marian Elizabeth Trust	-	-	109,739	109,739
Morrisons Foundation	-	-	18,425	18,425
Mr David Spratt	-	-	2,747	2,747
Mr Robert Schofield Owen	-	-	10,000	10,000
New Liverpool Site	-	-	16,443	16,443
Shop Direct	74,146	-	30,439	104,585
Steven Gerrard Foundation	-	-	202,386	202,386
Tesco Community Grants	-	-	3,750	3,750
Under £5000 and anon	-	-	50,516	50,516
Vehicles	7,310	-	-	7,310
Gifts in Kind	24,227	-	-	24,227
	<u>1,868,178</u>	-	<u>475,255</u>	<u>2,343,433</u>
Unrestricted Funds				
General Funds	4,206,983	3,570,161	1,828,342	9,605,486
Designated Funds	-	-	1,600,000	1,600,000
Total Funds	<u>6,075,161</u>	<u>3,570,161</u>	<u>3,903,597</u>	<u>13,548,919</u>



	Tangible Fixed Assets	Investments	Net Current Assets	31 March 2020
	£	£	£	£
Restricted Funds:				
Children in Need	-	-	4,722	4,722
Claire 40 for 40	-	-	16,074	16,074
Dorothy Hall Fund	9,523	-	12,000	21,523
Equipment	-	-	44,430	44,430
Frodsham Nursing Fund	-	-	3,375	3,375
Hospice Building	1,759,198	-	-	1,759,198
Liverpool One Foundation	-	-	6,953	6,953
Marian Elizabeth Trust	-	-	109,739	109,739
Mr David Spratt	9,130	-	2,747	11,877
New Garden Area	40,000	-	-	40,000
New Liverpool Site	-	-	11,036	11,036
Shop Direct	176,546	-	-	176,546
St Mary's Church Knowsley Village	-	-	5,000	5,000
Steven Gerrard Foundation	-	-	202,386	202,386
Under £5000 and anon	-	-	5,586	5,586
Vehicles	13,255	-	-	13,255
Wallace & Gromits Childrens	3,096	-	163	3,259
Gifts in Kind	7,015	-	-	7,015
	<u>2,017,763</u>	<u>-</u>	<u>424,211</u>	<u>2,441,974</u>
Unrestricted Funds				
General Funds	4,252,276	3,046,368	1,029,212	8,327,856
Designated Funds	-	-	950,000	950,000
Total Funds	<u>6,270,039</u>	<u>3,046,368</u>	<u>2,403,423</u>	<u>11,719,830</u>

27. RELATED PARTY TRANSACTION

Claire House Shops Limited (Company number 26555864) whose principal activities are the management of donors on behalf of Claire House, the sale of merchandise, and agency commission, is a wholly owned subsidiary (via 2 £1 shares) of Claire House and is consolidated as part of these accounts. Profits arising in the company are gift aided to the Charity on an annual basis. The directors of the company are appointed by the Trustees of the Charity. A balance of £21,407 was due from Claire House Shops at 31 March 2021 (2020: £15,549).

The results for the year ended 31 March 2021 are as follows:

	2021 £	2020 £
Profit and Loss Account		
Sales	272,378	803,383
Expenses	(240,134)	(706,229)
Surplus for the year	32,244	97,154
Covenant to Charity	(32,244)	(97,154)
Retained profit	-	-
Taxation	-	-
Balance brought forward	2,301	2,301
Balance carried forward	2,301	2,301

The aggregate of net assets was:

	2021 £	2020 £
Assets	23,710	22,913
Liabilities	(21,407)	(20,610)
Shareholders' funds	2,303	2,303

There were no other outstanding balances with related parties as at 31 March 2021.

28. RECONCILIATION OF GROUP NET INCOME RESOURCES TO NET CASH INFLOW FROM GROUP OPERATIONS

	2021 £	2020 £
Net incoming resources	1,359,661	1,009,274
Non cash gift in kind	-	(101,000)
Income from investments	(85,306)	(90,035)
Interest receivable	(636)	(4,038)
Profit on disposal of fixed assets	(1,685)	(6,036)
Depreciation of fixed assets	427,333	439,850
Decrease/(increase) in stock	(580)	(2,555)
(Increase)/decrease in debtors	(326,174)	(779,382)
Increase/(decrease) in creditors	125,555	6,926
Net cash inflow from operating activities	1,498,168	473,004

29. ANALYSIS OF CHANGES IN NET FUNDS

	1 April 2020 £	Cash Flows £	31 March 2021 £
Cash at bank and in hand	<u>1,344,110</u>	<u>1,298,975</u>	<u>2,643,085</u>

30. PENSION COMMITMENTS

The charitable company makes contributions to certain pension schemes for its employees. One of the schemes for eligible employees is the NHS Superannuation Scheme. The level of contributions to this scheme is determined annually by the NHS Pensions Agency. The Charity has no further liability beyond the contributions determined.

The rate of employer contribution to 31 March 2021 was 20.68% (2020: 20.68%). The Department of Health made a contribution of £95,935 (2020: £88,935) to the Charity to be offset against the cost of employees who were registered in the NHS Superannuation Scheme. The cost to the Charity for supporting the scheme for the year was £132,792 (2020: £135,866) after offsetting the Department of Health's contribution. There was a creditor of £20,358 (2020: £18,443) to this scheme at the end of the year.

The Charity also makes a contribution to a defined contribution scheme for employees who are not eligible to join the NHS Scheme. Claire House administers the scheme but the assets are held separately from those of the Charity. The rate of the employee and employer contribution for the year to 31 March 2021 was 4% (2020: 4%).

The law on workplace pensions changed requiring Claire House, from the 1 August 2014, to automatically enrol into this pension scheme, employees who met the criteria laid down by the Pensions Regulator. The employees automatically enrolled made contributions of 2% from 1 January 2015 to 31 December 2015, 3% from 1 January 2016 to 31 December 2017 and 4% from 1 January 2018 to 31 March 2021. Claire House matched these contributions and encouraged staff to contribute at the full rate of 4% which Claire House also matched.

The amount outstanding at the year-end was £38,358 (2020: £27,477). The charge for the year was £154,015 (2020: £145,262).

31. GUARANTEE

The Charitable Company is limited by guarantee and has no share capital. The members' liability is restricted to £1 each in accordance with the Memorandum and Articles.

32. RETAIL CONTRIBUTION

During the year, the Charity runs a chain of 26 (2020: 26) charity shops, the income and expenditure from which are included as part of these accounts. The contribution to the Charity from these shops is as follows:

	2021 £	2020 £
Sale of donated goods	605,385	1,588,694
Gift Aid and donated income from agency sales	177,945	898,617
Covid-19 Grants	711,765	-
Other income	58,376	252,501
	<u>1,553,471</u>	<u>2,739,812</u>
Costs	(2,609,867)	(2,411,984)
Net contribution	<u>(1,056,396)</u>	<u>327,828</u>



Claire House
CHILDREN'S HOSPICE

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