



Children's Hospices Across Scotland
Keep the joy alive

Annual Report and Accounts 2019/20



Chair's Statement

I am delighted to report on another successful year for CHAS. We have expanded and enhanced the specialist support and care we provide to children and families going through the hardest of times, whilst pioneering new and innovative ways of delivering these services. Our vision remains that we are there to reach every family in Scotland that needs us, to help those families make the most of the precious time they have together.

The outbreak of the COVID-19 pandemic in early 2020 has had a significant impact on how we deliver our services. We have had to protect our staff, volunteers and the families we support, by adjusting our hospice and home services in the face of severe restrictions, which are expected to ease only gradually and safely in accordance with the Scottish Government's advice. This has meant disruption and changed employee and volunteering arrangements across every facet of our work. Even through this health crisis however, we continue to develop our services, for example through the launch in December 2019 of our partnership with Glasgow Children's Hospital, and the development in March 2020 of our virtual hospice - enabling many of our care and support services to be delivered remotely.

CHAS has also benefitted again this year from the exceptional generosity of our donors. In January 2020 we were thrilled to announce that CHAS had been offered the gift of the Ardoch Estate, overlooking Loch Lomond. We are humbled by this amazing gift - one which we are confident will help us support families and our activities with them, in increasingly diverse ways. We remain enormously grateful to all of our donors and fundraisers for their ongoing support.

Our Chief Executive, Maria McGill, retired from her role in 2020, after almost ten years with CHAS. Maria is a distinguished leader in the sector and expanded CHAS's reach significantly during her tenure. We wish Maria well on her retirement. We were delighted to announce that, following a robust and externally supported recruitment process, Rami Okasha was appointed as Chief Executive to replace Maria. Rami was promoted internally, having joined CHAS in the previous year as our Director of Transformation and Innovation.

After serving for six years as a trustee, Alan Baird stepped down from the CHAS Board in September 2019. Alan leaves with our very best wishes for the future. At the same time, we welcomed Jacquie Pepper, Depute Director for Education and Children's Services for Perth & Kinross Council, to the Board. In addition to serving on the Board, Jacquie has also been appointed to sit on CHAS's Clinical Care and Governance Committee and will provide strategic guidance and oversight on the care and service arrangements in place within CHAS.

On behalf of the Board, I would like to convey my thanks to all our staff and volunteers for their dedication and professionalism. I also want to reiterate my thanks to our many donors, partners and other organisations - both individual and community based - whose contributions are so crucial to help us meet our ambitions.

We are determined to continue making a difference, and support all of those families across Scotland that need us.

George M Reid,
Chair of the Board of Directors



Strategic Review

For nearly 30 years, Children's Hospices Across Scotland* – better known as CHAS – has cared for babies, children and young people with life-shortening conditions, and their families, in every part of Scotland, by offering palliative care, family respite and support.

The financial year 2019/20 marked the final year of our three-year strategic plan 2017-2020, centred around our ambitions to **reach** more children and families, develop our **people**, **grow** our organisation, and work in partnership to **influence**. This report presents a summary of what we've achieved in the final year of our current plan. As our financial year neared conclusion, the emerging COVID-19 crisis saw a changed demand for our services from families, partners and stakeholders. Additionally, the pandemic has put a strain on our fundraising activities and has meant we have had to adapt quicker than ever before.

This year we developed our new strategic plan 2020-2023, 'Reaching Every Family in Scotland'. This strategy has been created in consultation with the children we support, as well as their families, our volunteers, staff, supporters and partners. Our new Chief Executive Rami Okasha will lead on the delivery of this new strategic plan.

* Children's Hospices Across Scotland is a trading name of Children's Hospice Association Scotland



Strategic Review

Reach

Over the last year, CHAS has expanded to meet the changing demand for its services and directly supported 477 babies, children and young people (2019: 465). For every child we support, we also support an average of five family members. We had 138 babies, children and young people referred to CHAS during the year, a broadly similar number to last year. These referrals have included a significant number of babies and children with extremely complex medical and support needs. During the year, we provided specialist input to 83 babies, children and young people who died.

Supporting children and families in hospices

During the year we supported 955 admissions of babies, children and young people to our Rachel House and Robin House hospices (2019: 1,096) with the decrease attributable to two key factors: the planned introduction of a major new clinical records system and the emergence of the COVID-19 pandemic late in the financial year. Hospice capacity was reduced in the period immediately prior to the implementation of the new system owing to the requirement for extensive staff re-training. We offered 3,635 bed nights to babies, children and young people over the year (2019: 3,975). Our hospices continue to provide much-needed palliative care to children and families, offering respite, relaxation and support.

In response to the needs of families, we have enhanced our approach to family support, strengthening our social work team and providing money advice to families, embedding Getting It Right For Every Child (GIRFEC) principles in care planning, and improving the consistency and co-ordination of our bereavement support.

As part of our staff innovation scheme, we supported our nursing team to develop a CHAS memory box which helps families make and retain memories of their child after they have died, and have supported a nursing support worker to plan how to enhance the care families experience in the days after death. We supported staff to innovate in care delivery and used structured interventions to improve staff confidence in using augmented communication technology. This greatly improves the experiences for children and their families and offers children more opportunities to have a say in their care.

Supporting children and families at home

We continued to offer nurse-led support in the homes of families through our CHAS at Home service, providing 1,156 visits (2019: 1,205) and 966 hours of volunteer home support. We commissioned an evaluation of Care 24, a partnership with NHS Lothian to provide end of life care at home for children in the days before death. All families who used this service described it as a positive experience. We are considering how we can develop this further.

In response to COVID-19, we launched the UK's first virtual children's hospice to help families who are self-isolating or unable to visit a hospice. This is now a central part of our service offering, and will remain so. Through this, we offer families nursing, medical and pharmacy advice by phone and video; bereavement support; money and benefits advice; and practical advice around the virus. Children can benefit from online activities and therapeutic interventions, including storytelling sessions, music therapy, play therapy, and social contact with trained volunteers.

CHAS has also increased reach in community provision. In partnership with NHS Forth Valley and supported by the Scottish Government's Chief Pharmaceutical Officer, we launched the CHAS Children's Palliative Care Pharmacy Network. The network aims to support babies, children and young people with life-shortening conditions, and their families, by providing timely access to specialist medicines and paediatric palliative care advice through their local community pharmacy.



Strategic Review

Supporting children and families in hospitals

We significantly expanded our collaborative work with NHS boards this year. We continued to work in partnership with NHS Lothian to develop neonatal palliative care. In September 2019, we launched a consultant-led Supportive and Palliative Care Team in the Royal Hospital for Children in Glasgow. Fully funded by CHAS, and delivered in partnership with NHS Greater Glasgow and Clyde, this is the first paediatric palliative care team in Scotland and ensures families receive a truly integrated service.

We also developed our operations in the north east by recruiting a Volunteer Development Manager, nursing support volunteers, and a Diana Children's Nurse based in the Royal Aberdeen Children's Hospital. In partnership with NHS Grampian, we jointly employed a consultant paediatrician with experience in palliative care. We have also advanced the planning for a home support volunteer pilot in more rural parts of the north east.

People

Our ambition to reach every family and offer the highest standards of care throughout Scotland requires us to invest in our people, both staff and volunteers. Our staff survey showed high levels of engagement and motivation, with very high levels of staff feeling proud of their work. During the course of the year, we restructured our Senior Leadership Team to align it more closely to the delivery of our CHAS Plan and future ambitions. As part of this restructuring we said farewell to our Director for People, Scott Semple in February 2020. Over a period spanning more than six years, Scott was instrumental in developing our human resources, volunteering and learning functions to adapt to the needs of a growing organisation. His collaborative approach and valuable insight across a range of people matters will be missed by teams across CHAS and he leaves with the Directors' very best wishes.

Equality, diversity and inclusion

We published our statutory gender pay gap report, based on April 2019 data, showing a 0.7% (2018: 3.3%) gender pay gap based on the median hourly wage. The mean hourly wage was 30.7% lower (2018: 30.3%) for women than men, although 81% (2018: 85%) of the highest-paid quartile of staff are women. We launched a new five-year Equality, Diversity and Inclusion Strategy in order to make sure we offer the best service to every child and family and every employee, volunteer and supporter. Our four equality outcomes are to support more families from diverse backgrounds; provide children, families and supporters with a culturally competent service; recruit more diverse employees and volunteers; and ensure people experience CHAS as an inclusive place to work or volunteer. We worked in partnership with LGBT Youth Scotland to ensure we are skilled and confident in working with all young people and staff.

Skilled and competent people

An important part of our approach has been to ensure our staff and volunteers remain skilled and confident in their roles. Our mandatory training compliance rates are high and supported by a proactive approach to monitoring. We supported staff to attend 395 training courses and over 45 national and international conferences, representing CHAS and bringing fresh thinking to our teams. We have recognised the importance of developing collective leadership at all levels across CHAS and have invested heavily in a programme to support approximately 50 staff to develop their skills in leading themselves, others, and in partnership across care sector. In our clinical teams, through our use of practice nurse educators and 'grand rounds', we ensure a high level of clinical learning and reflective practice amongst our care teams.

Supporting volunteers

Our new Volunteering Strategy was launched this year. This was co-produced with volunteers and focuses on diversifying our volunteer base, ensuring volunteering with CHAS is inclusive, modernising our volunteering programme (including developing more short term and flexible roles) and greater integration of volunteers within teams. Over 95% of volunteers feel their contribution is valued and over 90% feel proud to volunteer at CHAS. Volunteer and staff leavers are now invited to join CHAS Connect when they leave the organisation, so that they can stay connected with the charity.





Strategic Review

Growth

We rely on the generosity of the public to fund our work. We are deeply indebted to our supporters who have raised a total of £6.0 million (2019: £5.4 million) through their donations and support of our shops. We are also humbled by the many individuals who choose to leave legacies to CHAS, which contributed £2.2 million in vital income this year (2019: £3.7 million). As a result our total voluntary income for the year is £8.2 million (2019: £9.2 million) with the decrease attributable to a return to long-term average legacy income levels following an exceptionally strong 2019.

We have invested in our fundraising and communications team to deliver the income growth we require to support our services.

This year, our partnership arrangements with the Scottish Government and Convention of Scottish Local Authorities (CoSLA) have continued; we received £7.0 million (2019: £6.8 million) in statutory funding.

Community fundraising

Our community fundraising saw growth supported by community groups, small businesses, individuals and volunteers across the country. As is the case every year, we are grateful to the communities across Scotland that have come together and offered so much of their time hosting events in aid of CHAS to help raise vital funds. The total funds raised from community giving was £2.1 million (2019: £1.9 million).

Our four charity shops, despite COVID-19 affecting activity in March 2020, had another very successful year, with income surpassing budgetary expectations. Turnover increased by over £50,000 thanks to our hardworking team of staff and volunteers, and of course the continued loyalty of our customers and donors.

Partnerships and philanthropy

Our partnerships and philanthropy activity raised £2.1 million (2019: £2.0 million). Our corporate partnerships team continued to develop strategic and transformational corporate partnerships, raising important funds. Corporate partners also provided significant further value, including raising awareness, making pro-bono donations, donating stock to our charity shops, supporting high profile events, and through employer-supported volunteering.

Our programme of high profile events had a hugely successful year. These events included The Fawkes-y Ladies Lunch, which experienced a record-breaking year, and the Rocking Horse Ball. These events are enhanced by dedicated fundraising committees and committed sponsors.

A wide range of grant-making trusts continue to work in partnership with CHAS. During the year a five-year programme supported by the Big Lottery Fund to support transitions of young people with life-shortening conditions into adulthood, came to a close. We continue to receive valued funding and support from BBC Children In Need.

Individual giving

We have continued a wide-ranging programme of individual giving, which raised £1.3 million (2019: £1.1 million), including through our annual Christmas campaign, resulting in over 2,000 gifts from existing and new supporters. This integrated campaign drove awareness and donations with a mix of radio, door drop, digital and social advertising which helped to extend our reach across Scotland. This, combined with significant press activity, ensured we engaged with people at a time when charities traditionally compete for their attention. We have continued to work with the Local Hospice Lottery and a range of other organisations to increase the number of people making regular donations to CHAS. We will continue to use a test and learn approach in future campaigns to achieve growth year on year.



Strategic Review

Strengthening our corporate services

We have further developed our corporate services functions to support our status as a growing national charity. CHAS brought two critical IT business system implementations to a conclusion this year. A new clinical records system will play an important role in helping us to deliver safe and effective care. New finance software, including electronic purchase order processing, is expected to support the robust financial control environment we wish to maintain. We have continued to invest in technology at the point of service delivery and to support remote working and maximise resilience following COVID-19. We continue to maintain high standards of data security and information governance practices.

We have added to our facilities management team to ensure good estate planning and stronger buildings management. Across our four owned and seven rented properties, we developed our property and asset management strategy. We have continued to strengthen our approach to health and safety, including through the development of a new health and safety policy and infrastructure. Although they are very rare, we have consolidated our learning from adverse clinical events and aligned this to our approach to quality improvement. We have invested in our support services at hospice sites to provide the best possible care to children and families.

Influence

In recognition of the value and impact that research, advocacy and education bring to CHAS and the paediatric palliative care sector as a whole, we have expanded our ability to support and deliver in these areas. We also continue to engage closely with membership bodies Hospice UK and Together for Short Lives.

Two Robin House staff were awarded Forest School Leaders Award in April 2019 and one of our Fundraising Managers was nominated and shortlisted for Fundraiser of the Year in September 2019.

Research and education

This year we published Children in Scotland requiring Palliative Care (ChiSP) 2 and commissioned ChiSP 3. This major national dataset from NHS Information Services Division shows up-to-date information about the numbers and characteristics of babies, children and young people aged 0-21 who have life-shortening conditions.

We published our new education strategy, drawing on academic work commissioned from Edinburgh Napier University last year. This sets out how we will work to strengthen education in paediatric palliative care, with the voices of children and families central to this. In October 2019, we worked alongside the university to establish a PhD studentship to research culturally competent care for South Asian children and young people with life-shortening conditions.

Advocacy

We have continued to engage with parliamentarians and policy makers to highlight the importance of paediatric palliative and end of life care and our role in supporting children and families.

In April 2019, four children and young people from the sibling group at Robin House attended First Minister's Next Generation Question Time which supports the United Nations Convention of the Rights of the Child (UNCRC) by prioritising children and young people's participation in matters affecting them. This was a way of empowering the voices of children and families.

In September 2019, we were delighted to again take part in a child bereavement parliamentary event. We were also delighted to host our annual parliamentary reception. A debate was held in the chamber prior to the reception to mark CHAS's role in supporting children and families across Scotland. Children and families, supporters, volunteers and staff were present to meet with MSPs and describe the impact our services have on children and families.

We continued to engage directly with policy makers and key stakeholders across multiple sectors, including inviting them to see for themselves the services that we deliver and hearing from families the difference this support makes to them.



Strategic Review

Influence and partnership across the sector

We have expanded our partnership with Simpson's Memory Box Appeal (SiMBA) to train existing healthcare professionals in neonatal palliative care, and have delivered specialist sessions as part of university undergraduate nursing curricula. We were instrumental in establishing the Paediatric End of Life Care National Managed Clinician Network (PELiCaN), an NHS Scotland managed clinical network.

We have expanded Project ECHO this year, providing training and reflective practice opportunities for professionals. In August 2019, CHAS established our first external ECHO community of practice, 'An introduction to Paediatric Palliative Care'. Further cohorts and other communities of practice have established and allow clinicians from across Scotland to learn together.

Section 172 Statement, Employee Engagement and Business Relationships

This statement is included to meet the requirements of the Companies (Miscellaneous Reporting) Regulations 2018.

The likely consequences of any decision in the long term

The Directors take active steps to consider the long term implications of all significant decisions made. During 2019, the Directors held a development session to examine CHAS's current and future operating context, informing our new three year plan. Our financial sustainability is essential to deliver complex care. As part of their budget oversight, the Directors are briefed on long-term financial projections which support their strategic decision making, and this year oversaw the development of a long-term property strategy. Consideration of the consequences of COVID-19 is provided in the financial outlook section on page 17.

The interests of the company's employees

Our people are our most valuable asset. Delivering our strategic plan requires CHAS to attract, retain and motivate staff and volunteers. We are proud to be a responsible employer, with excellent working conditions and competitive terms for our staff which we have benchmarked. Directors have delegated responsibility for the strategic oversight of employee relations, including staff wellbeing and remuneration, to a specific committee. Further information may be found in the 'Engagement with employees and volunteers' section on page 13.

Business relationships with suppliers, customers and others

We actively involve children and families in designing and delivering care, and support them to be meaningfully involved in CHAS's work. This includes parent membership of the Board, involvement in developing strategic plans, and parents on interview panels. Families regularly speak at CHAS events. Supporter engagement is a pillar of our fundraising strategy and the Directors are hugely appreciative of the many ways in which the public helps us to deliver our ambition to reach every family who needs us. We maintain excellent relationships with communities, trusts, and corporate donors. We conducted our first donor survey in 2020 to assess the donor experience in CHAS.

Impact on the community and the environment

We maintain very positive relationships with the communities around Kinross and Balloch in particular, as evidenced by the kindness and donations from them, and have high levels of engagement with schools and workplaces across Scotland. CHAS has significant operations adjacent to the Loch Lomond and the Trossachs National Park. We take our environmental responsibilities seriously and seek to integrate them into the care we provide, including using the hospice gardens to promote native flora, grow food, and run forest schools. Where travel is not essential to provide care, we encourage video conferencing. Our strategic plan recognises the need to develop a sustainability strategy. For more details on our energy use and carbon footprint please see the report on page 16.

High standards of business conduct

Our care and charity activities are highly regulated, and we maintain the highest levels of business conduct with effective internal controls. There is effective monitoring of income and expenditure, with regular reporting at all levels up to and including the Board. This is complemented by a robust scheme of delegation which is reviewed regularly. This year we invested in an electronic purchase ordering system to enhance our internal control environment and assist the timely payment of supplier invoices.

The need to act fairly as between members of the company

Clear terms of reference exist for our Board and its various Committees, with reviews of Board effectiveness and a policy on Board rotation. All our work is underpinned by our organisational values of care, respect, honesty, and accountability.

Our Governance, Operating Model and Outlook

Governance

Legal Status

Children's Hospice Association Scotland is a company limited by guarantee of £1 per member and has no share capital. It is registered in Scotland with company number SC136410 and is governed by its Memorandum and Articles of Association dated 28 February 1994, as amended 19 September 2016. Children's Hospice Association Scotland has adopted the trading name, Children's Hospices Across Scotland.

Children's Hospice Association Scotland is registered on the Scottish Charity Register under number SC019724 and meets the definition of a charitable company for UK corporation tax purposes. Consequently, there is no liability to taxation on any of its income used for charitable purposes.

CHAS Trading Limited, which is a wholly owned subsidiary of Children's Hospice Association Scotland, runs charity shops and participates in a clothes collection partnership.

Registered Office

Canal Court, 42 Craigmlockhart Avenue, Edinburgh, EH14 1LT

Board of Directors

Children's Hospice Association Scotland has a Board of Directors which is responsible for the overall governance of CHAS. For the purposes of charity law, the Directors are Trustees of the charity. Directors who served during the year are listed as follows:

George M Reid (Chair)

Alan G Baird (resigned 16 September 2019)

Nicola M Connelly

Dr Edward I Doyle

Fiona M Gillespie

Peta M Hay

Elaine Love

Donald R Macdonald

Jacqueline M Pepper (appointed 16 September 2019)

Stephen Reid

Peter J Smyth

Gwen P Westgarth

Company Secretary

Jennifer Fairbairn

Board Appointments

Directors are appointed in accordance with the Articles of Association and are recruited for their skills and experience in areas relevant to the activities of CHAS such as parents, nursing, paediatrics, social services, business, legal and public relations.

CHAS Board Directors normally serve no more than eight years, subject to ensuring appropriate succession for key office bearers. Under the Articles of Association, Directors of CHAS are not entitled to any remuneration, but can be reimbursed for expenses incurred in carrying out their duties.



Our Governance, Operating Model and Outlook

Board Meetings

Full Board meetings are held at least five times each year to review and agree matters of strategy and principle, as well as review performance against agreed plans and budgets. A comprehensive review of CHAS governance arrangements is planned for 2020/21. The Chief Executive and Senior Leadership Team attend all Board meetings.

Board Committees

Responsibility for key areas of activity and policy are delegated to Committees in accordance with Children's Hospice Association Scotland's Articles of Association and a Scheme of Delegation adopted by the Board. Each Committee normally meets at least four times each year and minutes of meetings are presented at Board meetings. Terms of reference for each of the Committees are reviewed and approved by the Board every two years. The current membership and remit of each of the three Board Committees is set out below. The Chief Executive and Senior Leadership Team attend Committee meetings as appropriate.

Clinical Care and Governance Committee

The remit of this Committee focuses on providing leadership and strategic direction to the development of Clinical Governance across CHAS. It provides assurance that the care we provide is safe, effective, person centred and aligned with sectoral developments. The Committee ensures that the views of children, young people and families are incorporated in all aspects of our care development, delivery and review. The Committee ensures that excellence in care is maintained across CHAS through continuing professional development which includes reflective practice and staff appraisal.

Committee Members: Elaine Love (Convenor), Dr Edward I Doyle, Jacqueline M Pepper, Gwen P Westgarth.

Corporate Governance and Risk Committee

This Committee's role is to maintain a strategic overview of the direction and performance of the Board, its Committees and CHAS. It ensures that key structures, policies and practices are in place to support effective management of risk, human resources and volunteering. The Committee ensures that CHAS is compliant with all employment and corporate aspects of the law, relevant regulations, and best practice.

Committee Members: George M Reid (Convenor), Peta M Hay, Donald R Macdonald, Peter J Smyth.

Finance and Audit Committee

The Finance and Audit Committee is responsible for ensuring that robust financial governance and accountability exists throughout CHAS and that all financial aspects of the law, relevant regulations, and best practice are adhered to.

The Committee's role is also to ensure that CHAS has appropriate controls over managing its assets and maximising its income, while ensuring major capital projects are managed to ensure the operational effectiveness of buildings and equipment. It is also responsible for supporting our auditor in ensuring that a robust statutory audit of our annual accounts is carried out each year.

Committee Members: Stephen Reid (Convenor), Nicola M Connelly, Fiona M Gillespie, Gemma Rankine (co-opted Committee member).



Our Governance, Operating Model and Outlook

Executive Management

Operational responsibilities and day to day running of CHAS are carried out by the Senior Leadership Team.

Chief Executive

Rami Okasha (from 31 January 2020)

Maria L McGill (until 30 January 2020)

Senior Leadership Team

Dr Patrick J Carragher, Medical Director

Jennifer Fairbairn, Director of Finance and Corporate Services

Susan K Hogg, Director for Children and Families

Iain McAndrew, Director of Fundraising and Communications

Rami Okasha, Director of Transformation and Innovation (until 30 January 2020)

Scott A Semple, Director for People (until 29 February 2020)

Remuneration arrangements

The remuneration arrangements for the Chief Executive and Senior Leadership Team (excluding the Medical Director) are designed to offer a package which fits their level of responsibilities and is in accordance with market demands. Current incremental salary scales were set in 2013 following a benchmarking exercise with other similar sector organisations as well as consideration of senior roles in NHS Boards in Scotland.

Legal and Administrative Information

When required, CHAS uses the services of the following solicitors:

- BTO Solicitors LLP, 48 St Vincent Street, Glasgow G2 5HS
- Harper Macleod LLP, The Ca'd'oro, 45 Gordon Street, Glasgow G1 3PE
- Turcan Connell, Princes Exchange, 1 Earl Grey Street, Edinburgh EH3 9EE



Our Governance, Operating Model and Outlook

Our operating model

CHAS provides paediatric palliative care in hospices, homes and hospitals. The majority of our staff are engaged in the frontline delivery of care; others enable and facilitate this. Volunteers undertake a wide range of roles, including frontline care.

Paediatric palliative care is a multi-disciplinary approach to supporting children with life-shortening conditions. This includes physical, emotional, social and spiritual elements from diagnosis through to death and beyond, to enhance the quality of life for the young person and their family. Key features include the management of distressing symptoms, short breaks, and end-of-life care. Our care constantly evolves to reflect research from relevant disciplines.

Children with life-shortening conditions live in every part of Scotland. In recognition of this, and the work that CHAS undertakes, each territorial Health Board and Local Authority contribute to our statutory funding. Economic analysis commissioned from the York Health Economics Consortium shows that for every £1 of statutory funding received, CHAS generates £5.12 of public value.

We do not charge families for any of our services, and seek to ensure our clinical services are available everywhere, responsive, person-led, collaborative, and high-quality.

Everywhere

CHAS operates two hospices: Rachel House in Kinross and Robin House in Balloch. They support families from all parts of Scotland and form a key element of the national children's palliative care infrastructure. We provide home care in every Local Authority area, including through CHAS at Home, a volunteer programme, and end-of-life care. Our family support team provides social work, chaplaincy, counselling, resilience, activity and play therapy to children and wider families.

CHAS operates a network of staff based in NHS settings, with provision reflecting local circumstances. Our Diana Children's Nurses are senior practitioners embedded in NHS boards to support the development of paediatric palliative nursing. We have an expanding multi-disciplinary hospital presence in Glasgow, Edinburgh, Aberdeen, Kilmarnock and Inverness.

During the final weeks of our financial year, and in response to the COVID-19 pandemic, we commenced the delivery of services through our virtual children's hospice and will continue this approach.

Responsive and person-led

We tailor our care based on the individual needs, choices and wishes of each child and their family. Medical advances mean that many children living with life-shortening conditions now live for longer than would have been expected in the past, but are more technically dependent. We adapt care to their needs and wishes as they grow older to support them with transition, working closely with colleagues in the adult sector. We support an increasing number of children who are known to us for only a short time before their death, and are involved in anticipatory care planning.

Collaborative

Our services are highly collaborative. CHAS employs a wide range of professionals who work together in multidisciplinary teams, pioneering models of care that integrate health, social care and social work practice. Working with and involving children and families is an essential component of our work. We also work collaboratively with a wide range of voluntary and statutory partners, including NHS managed clinical networks.

High quality

CHAS is committed to providing the highest possible quality of care for children and young people, and are informed by relevant statutory regulations. Our hospices are regulated by Healthcare Improvement Scotland, and our care at home by the Care Inspectorate. We use the Scottish Government's Health and Social Care Standards to guide our work and we have a strong focus on quality improvement. Integrated family support plans, and an increased emphasis on data collection, help to continually improve quality. Sound clinical care and governance arrangements are in place to help ensure the provision of high quality care and the diligent management of clinical risks.

Our Governance, Operating Model and Outlook

Engagement with employees and volunteers

The Directors recognise that our staff and volunteers are our most valuable asset and are pleased that many forge rewarding long-term career paths with us. The Directors seek to attract the best talent to help us deliver our strategic plans and support them to be engaged in our work. This includes ensuring:

- senior employees attend all Board and Committee meetings which rotate across CHAS premises
- a wide range of care, fundraising and operational staff deliver presentations at each Board meeting
- there is extensive staff and volunteer involvement in the development of our CHAS Plans
- effective processes are in place to support wellbeing, including professional supervision for clinical teams and an employee assistance programme for all staff
- there are regular reviews of pay and conditions, including a cost of living award in 2019/20.

CHAS undertakes regular staff and volunteer surveys to understand engagement levels and continually improve the employee and volunteer experience at CHAS. The most recent survey, externally commissioned, showed that 95% of respondents feel proud to work for CHAS, an increase on the previous year and above the sector benchmark. CHAS received an award from Agenda Consulting for very high levels of staff engagement.

Financial review

As set out on page 24 the Consolidated Statement of Financial Activities shows that £15.8 million of total income was generated in the year ended 31 March 2020 (2019: £16.6 million). Total expenditure for the year increased to almost £21.6 million (2019: £17.9 million) as we continue to pursue our ambition of reaching every child and family in Scotland that needs our help.

Once the resultant £5.7 million net expenditure on operating activities is adjusted for pension deficit remeasurement gains and investment losses, total funds decreased by approximately £4.8 million to stand at £26.4 million at 31 March 2020 (2019: £31.1 million).

Although net expenditure is significantly greater than in previous years over the recent past, it is nonetheless largely in line with the 2019/20 budget approved by our Board. Our ambition is to grow fundraising income whilst seeking to maintain, or even grow, statutory funding so that annual income and expenditure levels converge within the medium term.

Income

The majority of our fundraising comes from voluntary donations. We generate this income across a range of activities, including community fundraising, individual giving, philanthropic donations, grants from charitable trusts, corporate partnerships, major events and trading activities through our shops. Legacies form an important part of our overall income thanks to the generosity of those who have so kindly included CHAS in their will. Across all our fundraising activities, we seek to raise the profile of children's palliative care and use our platform to amplify the voice of children and parents who want to tell their story. This is an integral part, not only of our fundraising approach, but also of our role in supporting families and advancing children's palliative care issues.

CHAS remains committed to the highest standards of fundraising through its membership of the Scottish Fundraising Standards Panel. All fundraising staff are members of the Institute of Fundraising and as such abide by its Codes of Conduct and Practice.

Over the year ended 31 March 2020 £15.8 million in total income was generated (2019: £16.6 million). This represents a decrease of 5% compared with the previous year as legacy receipts returned to levels akin to long-term annual averages after an exceptionally strong 2019.

Donations income grew by 11% to reach £5.5 million (2019: £5.0 million) as continued investment in our fundraising function began to bear fruit. Income from shop sales also continued its upward trajectory with an annual increase of 12% to stand at £536,000 (2019: £480,000).

Investment income grew by 5% to £549,000 (2019: £525,000) while interest receivable fell to £52,000 (2019: £65,000) as the working capital required to support current net expenditure levels increased.

CHAS receives statutory funding from NHS Scotland, Scottish local authorities and the Scottish Government. This amounted to £7.0 million in the year ended 31 March 2020 (2019: £6.8 million) and remains a vital and valued income source.

Our Governance, Operating Model and Outlook

As we continue to invest in activities that promote the reach of our services, however, statutory funding now represents only 41% (2019: 47%; 2018: 53%) of the cost of our charitable activities. This diminishing ratio not only emphasises the importance of growing fundraising income but also that of striving to secure future statutory funding levels that support our ambition, and that of the Scottish Government through its Strategic Framework for Action on Palliative and End of Life Care, to provide palliative care services to all children and families in Scotland who need them.

Expenditure

Total expenditure for the year ended 31 March 2020 was £21.6 million (2019: £17.9 million). This 20% increase was largely anticipated by the annual budget approved by the Board and illustrates the additional investment required to expand the reach of our services. It also aims to balance this ambition with retaining the financial sustainability that enables CHAS to provide a long-term commitment to the many children and families who remain with our service over many years. Whilst recognising that this will result in the partial depletion of reserves in the short term, the medium term objective is to increase income levels such that they converge with expenditure over the next three to five years.

Most of the expenditure increase can be observed in the cost of delivering care to babies, children, young people and their families which increased by 18% to £17.1 million (2019: £14.5 million) as we further developed our services across hospice, home, and hospital settings.

The cost of generating voluntary income increased by 25% to £3.8 million (2019: £3.0 million) driven by additional investments in our fundraising team and an ongoing focus on growing our supporter base through donor acquisition. The cost of generating voluntary income represents 49% of income from donations and legacies for the year (2019: 35%) although annual comparisons can be hindered by the unpredictable nature of annual legacy income and the payback periods for our fundraising investments.

A provision of £534,000 was made this year for estimated dilapidation costs on the leased properties across our estate. A total of £397,000 from this provision was subsequently charged to the Statement of Financial Activities for the year ended 31 March 2020.

Trading costs increased substantially on the previous year and were £654,000 (2019: £354,000), mainly as a consequence of the above dilapidation costs, of which £232,000 were charged this year in respect of our shops. This returns CHAS Trading Limited to a loss-making position of £118,000 (2019: £126,000 profit) having enjoyed several years of profitability in the recent past. However the Directors' view is that the core business remains healthy, albeit significantly exposed to the overall impact COVID-19 will continue to have on the retail sector. The increase in investment management costs to £79,000 (2019: £70,000) is considered minor and in line with the growth in the investment portfolios.

Support costs were allocated between charitable activities, the cost of generating voluntary income and trading on the basis of staff numbers. For the year ended 31 March 2020, total allocated support costs were £4.1 million (2019: £3.1 million) and increased by 32% on the previous year. This ongoing increase is driven by additional investment targeted at supporting our growth now and in future years.

Further details of the results for the financial year are provided in the Notes to the Accounts.

Reserves policy and unrestricted funds

The CHAS strategic plan 2017-2020 was developed in the knowledge that CHAS would continue to use its existing reserves to expand services and reach more children and families. Our strategic objectives, as set out in the CHAS strategic plan 2020-2023, are rightly ambitious and reflect our goal of reaching every child and family in Scotland that needs our support.

However the world in which we will operate has changed in ways that would have been unimaginable only a few short months ago owing to COVID-19. Like countless other organisations across all sectors of the economy, CHAS has had to reconsider its financial plans in the wake of the pandemic. Steps have been taken to pause planned service developments where it is safe and appropriate to do so in order to preserve our financial strength. Indeed this will constitute only the initial steps of an ongoing process that will continue in the months, if not years, ahead as we take stock of the financial impact that the coronavirus will ultimately have.

Our Governance, Operating Model and Outlook

While we cannot accurately predict the full financial impact COVID-19 will have on CHAS, it nonetheless remains very likely that reserves will continue to deplete over the foreseeable future with operating deficits forecast in each of the next three financial years. Close financial monitoring is in place together with active steps that mitigate the risk of reserves decreasing in an uncontrolled manner. CHAS continues to aspire to retain sufficient reserves to protect it against this ongoing crisis and indeed any other future circumstances that may jeopardise our long term commitment to provide hospice services to the children and families that rely on them.

The Finance and Audit Committee performs an annual review of reserves designated for future operating costs and capital projects. As part of this review it considers current and anticipated risks associated with our income streams, expenditure plans and other balance sheet items such as CHAS's pension commitments.

This review included an assessment of the immediate risk to income and expenditure posed by COVID-19. The impact that the anticipated economic downturn that will follow may have on fundraising income, the desire to grow services provided to children and families, the risk of further significant falls in the value of our investment portfolios and the possibility of the pension scheme deficit crystallising were amongst other considerations within the parameters of this review.

As they continue to adopt a policy of managing CHAS's reserves for the benefit of babies, children, young people and families now and in the future, the Directors aim to hold reserves for future operating costs and capital projects equating to at least 12 months of total resources expended. This policy is reviewed and adjusted annually as appropriate.

As at 31 March 2020, the Directors designated £9.5 million for expected operating deficits and capital projects over the next three years. A further £12.1 million related to the fixed asset fund has also been designated, the majority of which relates to the hospices at Rachel House and Robin House. Prior to deduction of the pension deficit, the general reserve stands at £10.9 million.

CHAS has restricted funds totalling £252,000, which are detailed in note 14 of the financial statements.

Investments and investment policy

The trend established over the recent past of steady increases in the market value of investments held by CHAS came to an abrupt conclusion as a result of the financial shock caused to investment markets by COVID-19 in the final quarter of the year. Total investments stood at £15.2 million as at 31 March 2020 (2019: £16.8 million) as investment gains accumulated earlier in the year were more than offset by losses incurred as the markets reacted to the economic emergency caused by the pandemic.

Net investment losses in the year ended 31 March 2020 were £1.4 million (2019: net gains of £688,000). This comprises approximately £1.3 million in respect of unrealised losses owing to the fall in the market value of investments that we have held throughout the year and £79,000 in realised losses on investments that were disposed of during the year.

No capital withdrawals were made from the portfolios during the year ended 31 March 2020 although £1 million was withdrawn in April 2020 as we sought to bolster working capital in view of the COVID-19 crisis. While some of the investment losses suffered as 2019/20 came to a close have subsequently been recovered we expect significant financial, political and social uncertainty to affect markets for some time, giving rise to an extended period of market volatility as economies emerge from COVID-19 restrictions.

Two investment managers invest funds on behalf of CHAS in diversified portfolios of shares, fixed interest securities and funds. CHAS's Finance and Audit Committee agrees a broad asset allocation framework with the managers and regularly monitors portfolio performance. No investment is permitted in derivatives, nor direct investments in companies involved in tobacco or the exploitation of children, nor in investments that are not readily realisable. Corporate and supply chain practices are monitored by the investment management companies and securities are disposed of when breaches of our ethical criteria come to light. Cash held by CHAS is invested in fixed term deposits or in higher interest bank accounts.

Throughout the year, both portfolios were managed to provide a total return, balanced between capital growth and income. When cash balances held by CHAS are combined with invested funds, the overall risk profile can be classified as low. Across the year ended 31 March 2020, both investment managers performed close to the agreed benchmark and as such their performance was considered satisfactory and continues to be monitored closely.

Our Governance, Operating Model and Outlook

The two investment management companies used by CHAS are:

- Adam & Company Investment Management Limited, 25 St Andrew Square, Edinburgh EH2 1AF
- Aberdeen Standard Capital, 1 George Street, Edinburgh EH2 2LL

For banking services, CHAS principally uses Bank of Scotland, The Mound, Edinburgh EH1 1YZ

Energy and carbon reporting

The Directors are committed to balancing the many benefits that our activities provide to children, families and wider society whilst minimising environmental harm caused as a result of our operations.

Our energy consumption for the year ended 31 March 2019 is presented in the below table. Measurements for the year ended 31 March 2020 are not yet available, however the Directors intend to align energy and carbon reporting with our financial reporting cycles. The Directors are satisfied that energy consumption rates for the year ended 31 March 2020 were not significantly different from those set out in the below table:

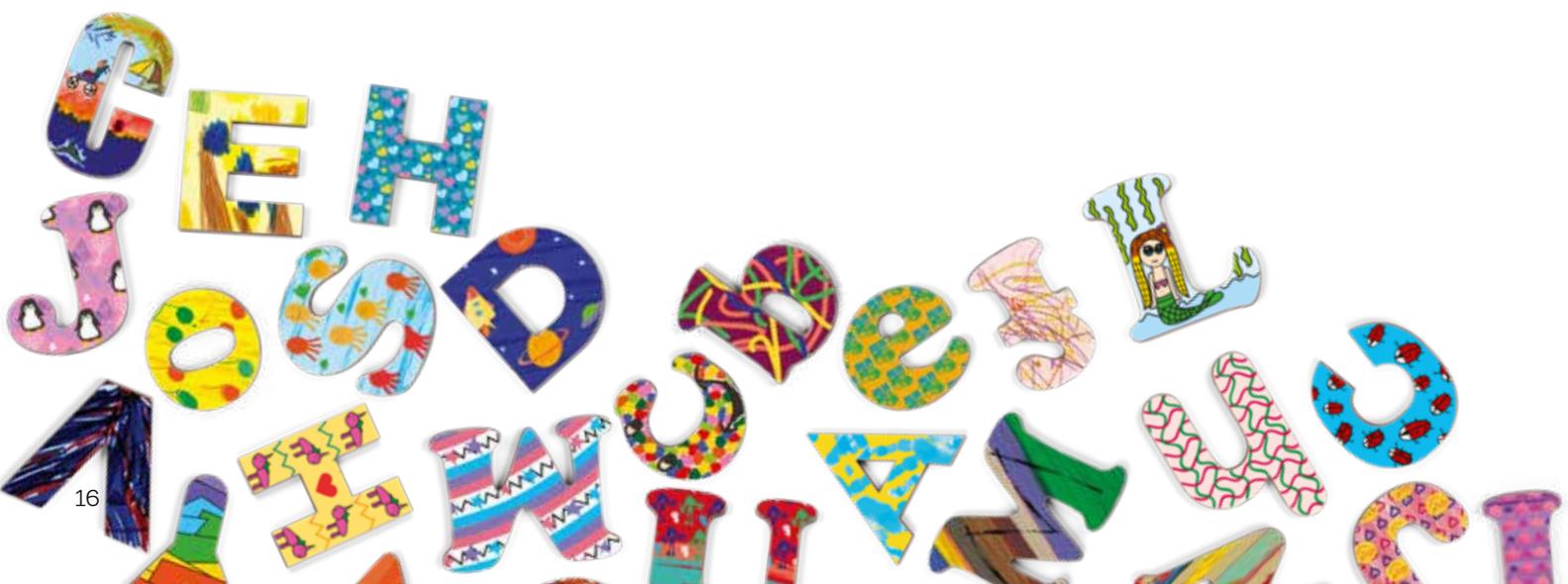
Utility	Energy Consumption (kWh) 2019	CO ₂ Emissions (Tonnes) 2019
Electricity	702,825	179.6
Gas	1,513,865	278.4
Pool Vehicles	158,414	38.0
Total	2,375,104	496.0

The above energy consumption and emissions statistics were subject to an ESOS (Energy Savings Opportunity Scheme) audit required by the virtue of the fact that we employ greater than 250 people. The ESOS audit broadly followed EN16247 / ISO50002 applied to transport operations. Carbon Factors used in above table are as follows:

- Electricity - 0.2556 kg CO₂/kWh
- Natural gas - 0.1838 kg CO₂/kWh
- Road fuel average - 0.240 kg CO₂/kWh

Grey fleet data (relating to the use of our employees' private vehicles to conduct CHAS work) was unavailable for the purposes of the ESOS audit but will be factored into future energy and carbon reporting information where possible.

Measures that will improve our energy efficiency form an integral part of our capital improvement plan within our property strategy. As buildings across our estate are renovated over the coming years, upgrading lighting and improving heating system valves and controls will help to mitigate our environmental impact.



Our Governance, Operating Model and Outlook

Outlook

The outlook for future years is complex, internally and externally. Whilst CHAS remains a strong, well-governed and well-led organisation delivering clear public value, the context in which our services operate has changed dramatically as a result of the COVID-19 pandemic. The pandemic has required sudden and dramatic changes to the way in which we operate services, run the charity, and raise funds. It is likely that these effects will be long-lasting.

Strategic outlook

We anticipate that the health and social care environment we work in will be affected directly by COVID-19 and also in the event of the economic downturn that is expected to follow. This might have the effect of creating more strain on other health and social work services that the families we support rely on. We stand ready to adapt our services to be responsive to emerging needs, wherever we can.

The impact of COVID-19 on the future fundraising landscape is, as yet, unknown. Short term effects have included the cancellation of face-to-face events and activities, the temporary cessation of retail operations, and the pausing of some workplace-based fundraising. At the same time, the importance of technology in fundraising events has grown.

The policy landscape around health and social care, including palliative care, may change in light of the Scottish Parliament elections scheduled for May 2021. CHAS will seek to influence policy ahead of these elections and the specifics will be informed by the experiences of the children and families we support.

Operational outlook

During 2019/20, CHAS appointed a new Chief Executive and agreed a new three year strategic plan. This is structured around the themes of care, people, growth and partnership and sets the context for the development of operational plans for the period until the end of 2023.

We anticipate that the ways we deliver paediatric palliative care will need to adapt following COVID-19. Some of the adaptations made in late March 2020 are likely to remain, including the need for enhanced infection prevention and control measures, greater reliance on technology to facilitate remote and home working, and the delivery of virtual hospice services.

During 2019/20, and following significant due diligence, CHAS agreed to accept the intended gift of the Ardoch Estate and an associated monetary donation of at least £1 million. The estate comprises 134 acres of farmland, gardens, a residential training centre and living accommodation on banks of Loch Lomond. This is one of the most significant philanthropic gifts made to CHAS and we anticipate taking ownership of the land and funds later in 2020. The current owners will operate the venue until June 2021 at which point further residual assets will be gifted to CHAS. We intend to use this gift to provide direct benefit to families and to raise funds for our charitable activities through a new subsidiary company.

Financial Outlook

The impact of government restrictions as a response to the COVID-19 pandemic has been relatively small on 2019/20 income and expenditure levels, having been imposed late in the year. It is likely that we will only be able to fully articulate their impact in the Annual Report and Accounts for 2020/21 and beyond. Ultimately the financial impact of COVID-19 will depend on how nimbly we are able to adapt to new ways of working, particularly in fundraising and care delivery, as a result of the pandemic together with how and when Scotland fully emerges from lockdown and the availability of ongoing financial support from government during this period of transition. Our Board have convened a short life working group to support our Senior Leadership Team in managing emerging circumstances related to the pandemic, with the aim of increasing the likelihood that leadership responses to the ongoing crisis will result in better outcomes for CHAS.

Within our initial response to the pandemic CHAS was able to utilise the UK Government Coronavirus Job Retention Scheme from April 2020. Additional financial support was sought through numerous applications to both governmental and private sector bodies. Furthermore, at the time of writing negotiations were at an advanced stage with regard to the distribution of additional emergency government funding to the Scottish hospice sector.

Our Governance, Operating Model and Outlook

Owing to the financial uncertainty caused by COVID-19 the Directors have paused the recruitment of new staff posts originally approved in the 2020/21 CHAS budget. Staff will only be recruited as necessary to continue the safe delivery of our services, thereby preserving working capital. The robust financial controls that are already in place have been supplemented by close cash flow monitoring to ensure that we maximise the financial latitude available to respond to the further challenges this health crisis will pose in the foreseeable future.

In addition to the impact COVID-19 has had on financial operations it has also significantly affected the valuation of investments held by CHAS. Further details are provided in the investments and investment policy section.



Our Governance, Operating Model and Outlook

Principal Risks and Uncertainties

CHAS operates a risk management and enablement approach which encourages the Board, Senior Leadership Team and management to identify risks, consider escalation and review mitigations. This is complemented by a robust control environment at all levels of the organisation.

Principal risks and uncertainties of CHAS are regularly assessed to ensure appropriate control measures are in place. Strategic risks and high level operational risks are recorded in a Corporate Risk Register and reported to the Corporate Governance and Risk Committee at each meeting, and to the Board annually.

The Board recognises it is ultimately responsible for the management of risk and is satisfied that current processes continue to address and mitigate exposure to major risks. The principal risks and uncertainties which may impact CHAS are described in the table below:

Risk	Response
Operational interruptions and reduced income generation resulting from COVID-19 restrictions	<ul style="list-style-type: none"> • Increase delivery of remote support and use of technology to deliver care • Focus on emergency and end-of-life care within our hospices allied with rapid deployment of virtual hospice service • Receipt of, and continued lobbying for, government support to restrict financial impact of COVID-19 • Use of the UK Government Coronavirus Job Retention Scheme
Insufficient funds to deliver our operations	<ul style="list-style-type: none"> • An active fundraising strategy designed to grow income over the long term • Clear demonstration of the public value generated by CHAS • Effective financial governance, including prudent management of reserves, and budget management
Harm caused by our care	<ul style="list-style-type: none"> • Robust clinical governance arrangements with clear oversight of medical, nursing and social work practice • Enhanced staffing levels by registered professionals • Extensive professional learning and reflection • Medically-led referrals and pre-admission processes • Appropriate standard operating procedures to support care delivery
Harm caused to our staff, volunteers or the public	<ul style="list-style-type: none"> • A clear health and safety policy and statement • Site-specific and role-specific induction in place • In-house health and safety advice from a qualified professional • Risk assessments which enable operations to be delivered safely
Data security breaches	<ul style="list-style-type: none"> • In-house information governance advice, and an external data protection officer • Clear induction and training arrangements • Effective information technology procedures to protect electronic systems and data
Loss or absence of key senior or specialist personnel	<ul style="list-style-type: none"> • Career pathways in place to increase likelihood of recruiting and retaining suitably qualified staff • Ongoing terms and conditions benchmarking • Wellbeing interventions in place
Damage to reputation resulting in a loss of public confidence and support	<ul style="list-style-type: none"> • Compliance with all regulatory requirements and recommendations related to governance, fundraising and operations • Scheme of delegation and robust governance procedures • Proactive risk management and alert process in place

Statement of Responsibilities of the Directors of Children's Hospice Association Scotland in Respect of the Annual Report and Accounts

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and the group and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005, and the Charities Accounts (Scotland) Regulations 2006 (as amended). They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

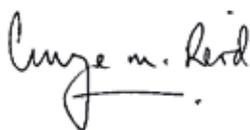
In so far as the trustees are aware:

- 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 themselves 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 reparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approval

The Board approved this annual report, which includes the Directors' Report and Strategic Report, at its meeting on 29 June 2020.



By order of the Board
George M Reid, Chair

Independent Auditor's Report to the Trustees and Members of Children's Hospice Association Scotland

Opinion

We have audited the financial statements of Children's Hospice Association Scotland for the year ended 31 March 2020 which comprise the Consolidated Statement of Financial Activities, the Company Statement of Financial Activities, the Balance Sheets, the Cash Flow Statements and 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 (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102.

In our opinion the financial statements:

- give a true and fair view of the state of the affairs of the group and the parent charitable company as at 31 March 2020 and of the group's and the parent's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

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

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

We have nothing to report in this regard.

Other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Annual Report which includes the Directors' Report and the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Annual Report which includes the Directors' Report and the Strategic Report has been prepared in accordance with applicable legal requirements.

Independent Auditor's Report to the Trustees and Members of Children's Hospice Association Scotland

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report and Strategic Report.

We have nothing to report in respect of the following matters where the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- the group or the parent charitable company has not kept proper and adequate accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company'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.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities set out on page 20, the trustees (who are also the directors of the charitable company for the purposes 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 the 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 parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or the parent 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

We have been appointed as auditors under the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with regulations made under that Act.

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.

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

Independent Auditor's Report to the Trustees and Members of Children's Hospice Association Scotland

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, and to the charitable company's trustees, as a body, in accordance with Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members and trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company, the charitable company's members and trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Kenneth McDowell (Senior Statutory Auditor)
for and on behalf of Saffery Champness LLP

Chartered Accountants
Statutory Auditors
Edinburgh Quay, 133 Fountainbridge, EH3 9BA
16 July 2020

Saffery Champness LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

Consolidated Statement of Financial Activities

(incorporating an income and expenditure account)

for the year ended 31 March 2020

	Note	Unrestricted Funds £000	Restricted Funds £000	Totals 2020 £000	Totals 2019 £000
Income:					
<i>Donations and legacies:</i>					
Donations		4,856	647	5,503	4,965
Legacies		1,721	458	2,179	3,719
<i>Trading activities:</i>					
Shop sales and other trading		536	-	536	480
<i>Income from investments:</i>					
Investment income		549	-	549	525
Interest receivable		52	-	52	65
<i>Income from charitable activities:</i>					
Statutory funding and grant income	3	-	7,003	7,003	6,816
Total income		7,714	8,108	15,822	16,570
Expenditure:					
<i>Cost of raising funds:</i>					
Cost of generating voluntary income		(3,760)	-	(3,760)	(3,008)
Cost of goods sold and other trading costs		(654)	-	(654)	(354)
Investment management costs		(79)	-	(79)	(70)
<i>Cost of charitable activities</i>					
		(8,699)	(8,359)	(17,058)	(14,482)
Total expenditure	4	(13,192)	(8,359)	(21,551)	(17,914)
Net expenditure on operating activities	6	(5,478)	(251)	(5,729)	(1,344)
Net (losses)/gains on investments - realised		(79)	-	(79)	84
- unrealised	8	(1,292)	-	(1,292)	604
Net expenditure		(6,849)	(251)	(7,100)	(656)
Other recognised gains/(losses)					
Remeasurement gains/(losses) on defined benefit pension scheme	13	2,321	-	2,321	(929)
Net movement in funds		(4,528)	(251)	(4,779)	(1,585)
Reconciliation of funds					
Funds brought forward	14	30,630	503	31,133	32,718
Transfers during year	14	-	-	-	-
Funds carried forward	14	26,102	252	26,354	31,133

The Statement of Financial Activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

The notes on pages 28 to 50 form part of these accounts

Company Statement of Financial Activities

(incorporating an income and expenditure account)
for the year ended 31 March 2020

	Note	Unrestricted Funds £000	Restricted Funds £000	Totals 2020 £000	Totals 2019 £000
Income:					
<i>Donations and legacies:</i>					
Donations		4,856	647	5,503	4,965
Legacies		1,721	458	2,179	3,719
<i>Income from investments:</i>					
Investment income		549	-	549	525
Interest receivable		52	-	52	65
<i>Income from charitable activities:</i>					
Statutory funding and grant income	3	-	7,003	7,003	6,816
Total income		7,178	8,108	15,286	16,090
Expenditure:					
<i>Cost of raising funds:</i>					
Cost of generating voluntary income		(3,760)	-	(3,760)	(3,008)
Investment management costs		(79)	-	(79)	(70)
<i>Cost of charitable activities</i>					
		(8,699)	(8,359)	(17,058)	(14,482)
Total expenditure	4	(12,538)	(8,359)	(20,897)	(17,560)
Net expenditure on operating activities		(5,360)	(251)	(5,611)	(1,470)
Net (losses)/gains on investments - realised		(79)	-	(79)	84
- unrealised	8	(1,292)	-	(1,292)	604
Net expenditure		(6,731)	(251)	(6,982)	(782)
Other recognised gains/(losses)					
Remeasurement gains/(losses) on defined benefit pension scheme	13	2,321	-	2,321	(929)
Net movement in funds		(4,410)	(251)	(4,661)	(1,711)
Reconciliation of funds					
Funds brought forward	14	31,060	503	31,563	33,274
Transfers during year	14	-	-	-	-
Funds carried forward	14	26,650	252	26,902	31,563

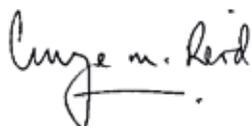
The Statement of Financial Activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

The notes on pages 28 to 50 form part of these accounts.

Balance Sheets
as at 31 March 2020

		Group		Company	
	Note	2020	2019	2020	2019
		£000	£000	£000	£000
Fixed assets					
Tangible assets	7	12,064	11,895	12,099	11,926
Investments	8	15,175	16,787	15,175	16,787
		27,239	28,682	27,274	28,713
Current assets					
Stock		-	1	-	-
Debtors	10	1,041	593	1,313	1,001
Cash at bank and in hand		6,435	9,650	6,421	9,632
		7,476	10,244	7,734	10,633
Creditors					
Amounts falling due within one year	11	(1,850)	(938)	(1,611)	(928)
Net current assets		5,626	9,306	6,123	9,705
Provisions for liabilities	12	(137)	-	(121)	-
Net assets excluding pension deficit		32,728	37,988	33,276	38,418
Defined benefit pension scheme deficit	13	(6,374)	(6,855)	(6,374)	(6,855)
Net assets including pension deficit		26,354	31,133	26,902	31,563
The funds of the charity:					
Restricted income funds	14	252	503	252	503
Unrestricted income funds					
Fixed asset fund		12,064	11,895	12,099	11,926
Designated for future operational investment		9,500	14,341	9,500	14,341
General reserves		10,912	11,249	11,425	11,648
Unrestricted income funds excluding pension reserve		32,476	37,485	33,024	37,915
Pension reserve	13	(6,374)	(6,855)	(6,374)	(6,855)
Total unrestricted funds	14	26,102	30,630	26,650	31,060
Total funds	14	26,354	31,133	26,902	31,563

Approved by the Directors on 29 June 2020.



George M Reid, Chair



Stephen Reid, Director

The notes on pages 28 to 50 form part of these accounts.

Cash Flow Statement
for the year ended 31 March 2020

	Group		Company	
	2020 £000	2019 £000	2020 £000	2019 £000
Net cash outflow from operating activities (i)	(3,416)	(111)	(3,412)	(117)
Returns on investments and servicing of finance				
Investment income	549	525	549	525
Interest received	75	83	75	83
Net cash inflow from returns on investments and servicing of finance	624	608	624	608
Capital expenditure and financial investment				
Payments to acquire tangible fixed assets	(809)	(469)	(809)	(469)
Investments purchased	(2,860)	(1,765)	(2,860)	(1,765)
Investments disposed of	3,246	2,280	3,246	2,280
Net cash (outflow)/inflow from investing activities	(423)	46	(423)	46
(Decrease)/increase in cash and cash equivalents (ii)	(3,215)	543	(3,211)	537

(i) Reconciliation of net expenditure to the net cash outflow from operating activities

	Group		Company	
	2020 £000	2019 £000	2020 £000	2019 £000
Net expenditure	(7,100)	(656)	(6,982)	(782)
Depreciation charge	634	582	630	578
Pension deficit movement	(481)	2,290	(481)	2,290
Remeasurement gains/(losses) on defined benefit pension scheme	2,321	(929)	2,321	(929)
Loss on disposal of tangible fixed assets	6	15	6	13
Net losses/(gains) on investments	1,371	(688)	1,371	(688)
Interest receivable and investment income	(601)	(590)	(601)	(590)
Decrease in stock	1	1	-	-
Increase in debtors	(471)	(164)	(335)	(39)
Increase in creditors	904	28	659	30
Net cash outflow from operating activities	(3,416)	(111)	(3,412)	(117)

(ii) Analysis of net funds

	Group		Company	
	2020 £000	2019 £000	2020 £000	2019 £000
Cash balances at beginning of year	9,650	9,107	9,632	9,095
(Decrease)/increase in the year	(3,215)	543	(3,211)	537
Cash balances at end of year	6,435	9,650	6,421	9,632

The notes on pages 28 to 50 form part of these accounts.

Notes to the Accounts

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material to the accounts.

(a) Basis of preparation

The accounts have been prepared under the historical cost convention, with the exception of investments which are included at market value. The accounts have been prepared in accordance with the Companies Act 2006 and the Charities SORP (FRS 102) Accounting and Reporting by Charities: Statement of Recommended Practice effective 1 January 2019.

The statement of financial activities ('SOFA') and balance sheet consolidate the accounts of Children's Hospice Association Scotland ('the Charity') and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

The Charity has availed itself of the provisions of Companies Act 2006 and adapted the statutory formats to reflect the special nature of the Charity's activities.

The accounts are prepared in Sterling, which is the functional currency of the Charity. Monetary amounts in these accounts are rounded to the nearest £1,000.

(b) Going concern

The trustees are of the opinion that the group and parent charitable company can continue to meet their obligations as they fall due. The charitable company has significant reserves and regular income generated from activities and specific grants to continue in operational existence for the foreseeable future. The group and parent charitable company has been significantly affected by the COVID-19 pandemic. Further information may be found within the Post Balance Sheet Event Note on page 49.

Having considered the matters above and with particular reference to the financial impact of the coronavirus crisis, the trustees are of the opinion that the group and parent charitable company will have sufficient resources to continue to operate and meet debts as they fall due for the foreseeable future. The financial statements have therefore been drawn up on a going concern basis.

(c) Company status

The Charity is a company limited by guarantee and is registered as a Scottish charity with the Office of the Scottish Charity Regulator under number SCO19724. The Charity meets the definition of a public benefit entity under FRS 102.

The Charity is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

(d) Fund accounting

Unrestricted funds are either general or designated. General funds are available for use at the discretion of the Directors in furtherance of the general objectives of the Charity and which have not been designated for another purpose. Designated funds are those set aside for particular purposes. The aim and use of each designated fund is set out in note 14.

Restricted funds are those to be used in accordance with instructions declared by donors or as a result of a specific appeal by the Charity. The aim and use of each restricted fund is set out in the notes to the accounts where material. Transfers are made between funds on a periodic basis.

Notes to the Accounts

(e) Income

All income is included in the SOFA when the Charity is legally entitled to that income, income is probable and the amount can be quantified with reasonable accuracy. Legacy income is recognised only when there is sufficient evidence in each individual case of the probability that the income will be received and the value of this income can be measured with sufficient reliability.

Income from shop sales is recognised at the point of sale, which is generally on the receipt of cash. Any distributable annual profits earned by the subsidiary company are paid to the Charity by deed of covenant.

(f) Gifts in kind

Assets given for use by the Charity are included in income when receivable at a reasonable estimate of their value to the Charity. No monetary value is attributed to human resource secondments to the Charity or to services donated by volunteers.

(g) Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings, they have been allocated to activities on a basis consistent with use of the resources.

The cost of raising funds includes the expenditure incurred in generating voluntary income, the cost of goods sold and other trading costs and investment management costs. These costs are regarded as necessary to generate funds that are needed to finance charitable activities. The cost of charitable activities relates to expenditure that enables the Charity to meet its charitable aims and objectives. Governance costs are associated with the strategic planning and management of the Charity and reflect an element of the costs of the office of the Chief Executive and other key management personnel.

They also include professional advice for the Directors, audit fees and Directors' expenses. Support costs are those which enable charitable activities and fundraising to be undertaken. Note 4 gives further information on what support costs include and the basis of apportionment to cost categories.

(h) Value Added Tax

The Charity and subsidiary company is registered as a group for Value Added Tax purposes and accordingly expenditure for the group excludes VAT where applicable.

(i) Fixed assets

Tangible fixed assets with a cost of £2,000 or greater are capitalised at cost and are depreciated in equal annual instalments over their estimated useful lives as follows:

Freehold land and buildings	50 years
Short leasehold	5 years or period of lease if shorter
Motor vehicles	3 years
Hospice equipment – Kitchen	5 years
– Care	7 years
Computer equipment	3 years
Furniture and fittings	10 years

(j) Investments

Fixed asset investments are stated at stock market valuation. Unrealised gains and losses represent the difference between the market value at the beginning and end of the financial year. Disposals are either measured at cost (if bought in the year) or at market value at the beginning of the financial year if bought in a prior year. Realised gains and losses represent the difference between the proceeds and either the cost or the market value at the beginning of the financial year depending on when the investments were bought.

Notes to the Accounts

(k) Stock

Stocks of goods purchased for resale are stated at the lower of cost and net realisable value. Stocks of donated assets are not valued for accounting purposes as it is impractical to measure their fair value.

(l) Operating lease rental costs and leasehold dilapidations

The Charity occupies three properties and the subsidiary company occupies a further four properties under operating leases. Rental costs payable in respect of these operating leases are charged in the statement of financial activities for the period to which they relate.

A dilapidations provision is recognised when there is future obligation relating to the maintenance of leasehold properties. The provision is based on management's best estimate of the obligation which forms part of the Group's unavoidable cost of meeting its obligations under the lease contracts and over the lease term. Key uncertainties are the estimates of amounts due.

(m) Pension schemes

Lothian Pension Fund

The Charity participates in the Lothian Pension Fund, a defined benefit pension scheme open to all eligible employees. The assets of the scheme are held separately from those of the Charity and its subsidiary company.

Pension scheme assets are measured using market values. Pension scheme liabilities are measured using a projected unit credit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liability.

The pension scheme surplus (to the extent that it is considered recoverable) or deficit is recognised in full. The movement in the scheme surplus/deficit is split between total expenditure and remeasurement gains and losses on the defined benefit pension scheme in the statement of financial activities.

National Health Service Superannuation Scheme (Scotland)

The National Health Service Superannuation Scheme (Scotland) is a multi-employer scheme where the share of the assets and liabilities applicable to each employer is not identified. The Charity therefore accounts for its pension costs to this scheme on a defined contribution basis as permitted by FRS 102.

2 Critical judgements and estimates

In preparing the financial statements, the trustees make estimates and assumptions which affect the reported results, financial position and disclosure of contingencies. Use of available information and application of judgement are inherent in the formation of the estimates, together with past experience and expectations of future events that are believed to be reasonable under the circumstances. Actual results in the future could differ from such estimates. This section discusses the principal areas where the measurement of items is strongly influenced by the assumptions and estimates used.

(a) Defined benefit pension scheme deficit

The valuation of the defined benefit pension scheme deficit is based on several major assumptions as set out in note 13. As with any set of assumptions used in such a valuation there are inherent risks and uncertainties.

The carrying value of the defined benefit pension scheme deficit is calculated on the basis of estimates of the rates of future salary, pensions in payment and deferred pension increases, as well as estimated life expectancy of current and future pensioners. Additionally the valuation is sensitive to the assumed discount rate applied to scheme liabilities. The discount rate is set with reference to yields on high quality corporate bonds and so the valuation may be subject to significant change owing to relative changes in equity and bond markets at the financial year-end.

The valuation of the pension deficit assumes that the Charity will continue to participate in the Lothian Pension Fund. The valuation would be subject to change in the event of curtailment, settlement or discontinuance in the Charity's participation.

Notes to the Accounts

(b) Investment valuation

Fixed asset investments are stated at stock market valuation as at the financial year-end. As no investment is permitted in investments that are not readily realisable the trustees believe this to be an appropriate approach. As with most investments there is the risk that stock market valuation may change significantly at any time.

(c) Valuation of freehold land and buildings

The valuation of freehold land and buildings is based on historic cost which may vary to their market value or reinstatement cost. Freehold land and buildings have been assigned an economic life of 50 years. The expected useful life of freehold land and buildings may change under the influence of development of changes in paediatric palliative care and market circumstances.

(d) Recognition of legacy income

Legacy income is recognised only when there is sufficient evidence in each individual case of the probability that the income will be received and the value of this income can be measured with sufficient reliability. While this income is subject to ongoing review until these accounts are approved by the Directors, there remains a risk that legacy income relating to the year ended 31 March 2020 may come to light after this date and therefore be omitted from these accounts.

(e) Allocation of support costs

Support costs are allocated to the cost of charitable activities, cost of generating voluntary income and cost of goods sold and other trading costs on the basis of staff numbers as at the financial year-end. The trustees believe this approach to be appropriate as the cost of most support functions (finance, IT, human resources, property and learning) is predominantly influenced by the number of staff each function is serving.

(f) Funds designated for future operational investment

As set out in note 14 funds have been ring fenced for future operational investment as we continue to pursue our strategic aim of meeting the needs of all children and families in Scotland who need our services.

CHAS continues to expand its services and the funds designated for future operational investment are intended to reflect expected funding deficits over the coming years.

Ensuring that our property estate continues to meet operating requirements is integral to achieving our strategic objectives. Therefore the capital expenditure anticipated to result from our ongoing strategic property review is included alongside these deficits in the £9.5 million of funds designated for future operational investment. The Directors understand that the as yet unquantifiable financial impacts of COVID-19 may have a significant impact on the availability of funds to designate in this manner in future years.

Notes to the Accounts

3 Income

Group and Company	2020	2019
	£000	£000
Statutory funding and grant income		
Scottish Local Authorities – for operation of Rachel House and Robin House	680	680
NHS Scotland (total received £6,187,000; £275,000 towards Diana Children's Nurses)	5,912	5,725
Scottish Government:		
- for Diana Children's Nurses	275	275
- for infrastructure and services	136	136
	7,003	6,816

4 Expenditure

Group	Direct costs	Governance costs	Support costs	Total	2019
	£000	£000	£000	£000	£000
Cost of raising funds					
Cost of generating voluntary income	3,189	70	501	3,760	3,008
Cost of goods sold and other trading costs	567	4	83	654	354
Investment management costs	79	-	-	79	70
Cost of charitable activities	13,080	490	3,488	17,058	14,482
	16,915	564	4,072	21,551	17,914
2019	14,502	302	3,110	17,914	
Company	Direct costs	Governance costs	Support costs	Total	2019
	£000	£000	£000	£000	£000
Cost of raising funds					
Cost of generating voluntary income	3,189	70	501	3,760	3,008
Investment management costs	79	-	-	79	70
Cost of charitable activities	13,080	490	3,488	17,058	14,482
	16,348	560	3,989	20,897	17,560
2019	14,219	298	3,043	17,560	

The activities underlying each of the above cost categories are:

Cost of generating voluntary income - raising the income needed to support the Charity's activities.

Cost of goods sold and other trading costs - operating charity shops and participating in a clothes collection partnership to create additional income needed to support the Charity's activities. In addition, this includes charges in respect of estimated dilapidation costs on operating leases.

Cost of charitable activities - providing children's hospice services and supporting the whole family throughout Scotland.

Governance costs include expenditure incurred in strategic planning and management as well as the costs of professional advice for the Directors' audit fees and Directors' expenses.

Notes to the Accounts

Support costs reflect the growth and maintenance of the infrastructure required, including the staff teams, to support the delivery of the above activities. As noted in the Financial Review, significant investment has been made to ensure the support functions are appropriately resourced to meet future needs, in particular the digitalisation programme across CHAS. Support costs comprise finance £633,000 (2019: £640,000), communications, advocacy and public relations £566,000 (2019: £604,000), IT £609,000 (2019: £567,000), human resources £701,000 (2019: £480,000), property £860,000 (2019: £272,000), executive £270,000 (2019: £261,000), learning £264,000 (2019: £153,000) and volunteering £169,000 (2019: £133,000).

Both governance costs and support costs have been apportioned to the above activities on the basis of staff numbers, except for governance costs relating to the trading subsidiary which have been directly charged to the cost of the goods sold and other trading costs.

Property includes a charge of £397,000, which has been made this year for estimated dilapidation costs on the leased properties across our estate.

Human Resource has been impacted by increased staffing costs, as well as costs relating to the MyCHAS personnel database and strategic development costs.

5 Staff costs

	2020	2019
	£000	£000
Salaries	10,619	9,495
Social security costs	1,055	883
Pensions	3,588	2,703
	15,262	13,081

The number of employees whose emoluments as defined for taxation purposes amounted to over £60,000 in the year was as follows:

	2020	2019
£70,001 - £80,000	2	3
£80,001 - £90,000	3	1
£120,001 - £130,000	2	1
£130,001 - £140,000	1	1
£140,001 - £150,000	-	1

Of these, two were medical staff remunerated on the equivalent of NHS salary scales and pension arrangements.

For the above employees, £123,486 in total (2019: £93,806) was paid to the National Health Service Superannuation Scheme for Scotland and Lothian Pension Fund.

By the end of the year the number of employees was 337 (2019: 309). In addition, there were 888 volunteers who were not remunerated but can claim expenses. The average number of employees was 300, of whom 84 (56 full-time equivalent) were part-time.

The charity considers that its key management personnel comprise the Senior Leadership Team. Total remuneration of key management personnel for the year was £848,209 (2019: £735,570).

No remuneration was paid to the Directors in respect of their services to the Charity (2019: nil). Travel expenses totalling £790 were reimbursed to one Director (2019: £668 to one Director).

Ex gratia payments totalling £51,120 were paid to three employees during the financial year.

Notes to the Accounts

6 Net expenditure on operating activities

This is stated after charging:

	2020	2019
	£000	£000
Auditor's remuneration:		
- Audit of these financial statements	11	11
Amounts receivable by auditor and associates in respect of:		
- Audit of financial statements of subsidiaries pursuant to legislation	3	3
Indemnity insurance for Directors	1	1
Operating lease rentals – land and buildings	199	175

Notes to the Accounts

7 Tangible fixed assets

Group	Freehold land and buildings £000	Short leasehold £000	Motor vehicles £000	Hospice equipment £000	Computer equipment £000	Furniture and fittings £000	Total £000
Cost as at 1 April 2019	15,270	223	263	641	797	813	18,007
Additions	256	12	161	61	107	212	809
Disposals	(6)	-	-	-	-	-	(6)
Cost as at 31 March 2020	15,520	235	424	702	904	1,025	18,810
Accumulated depreciation as at 1 April 2019	4,367	208	256	414	576	291	6,112
Charge for year	308	7	20	66	147	86	634
Disposals	-	-	-	-	-	-	-
Accumulated depreciation as at 31 March 2020	4,675	215	276	480	723	377	6,746
Net book value at 31 March 2020	10,845	20	148	222	181	648	12,064
Net book value at 31 March 2019	10,903	15	7	227	221	522	11,895

The purposes for which the tangible fixed assets held for charity use at 31 March 2020 were as follows:

Group	Freehold land and buildings £000	Short leasehold £000	Motor vehicles £000	Hospice equipment £000	Computer equipment £000	Furniture and fittings £000	Total £000
Purpose:							
Hospice services	10,616	-	148	222	19	624	11,629
Fundraising, management and administration	229	20	-	-	162	24	435
	10,845	20	148	222	181	648	12,064

Notes to the Accounts

7 Tangible fixed assets (continued)

Company	Freehold land and buildings £000	Short leasehold £000	Motor vehicles £000	Hospice equipment £000	Computer equipment £000	Furniture and fittings £000	Total £000
Cost as at 1 April 2019	15,303	176	248	641	766	808	17,942
Additions	256	12	161	61	107	212	809
Disposals	(6)	-	-	-	-	-	(6)
Cost as at 31 March 2020	15,553	188	409	702	873	1,020	18,745
Accumulated depreciation as at 1 April 2019	4,366	164	241	414	545	286	6,016
Charge for year	307	4	20	66	147	86	630
Disposals	-	-	-	-	-	-	-
Accumulated depreciation as at 31 March 2020	4,673	168	261	480	692	372	6,646
Net book value at 31 March 2020	10,880	20	148	222	181	648	12,099
Net book value at 31 March 2019	10,937	12	7	227	221	522	11,926

The purposes for which the tangible fixed assets held for charity use at 31 March 2020 were as follows:

Company	Freehold land and buildings £000	Short leasehold £000	Motor vehicles £000	Hospice equipment £000	Computer equipment £000	Furniture and fittings £000	Total £000
Purpose:							
Hospice services	10,662	-	148	222	19	626	11,677
Fundraising, management and administration	218	20	-	-	162	22	422
	10,880	20	148	222	181	648	12,099

Notes to the Accounts

8 Fixed asset investments

Group and Company	2020	2019
	£000	£000
Quoted investments at market value at beginning of year	16,787	16,614
Additions during year	3,130	1,765
Disposals during year	(3,450)	(2,196)
	16,467	16,183
Net unrealised (losses)/gains	(1,292)	604
Market value at end of year	15,175	16,787
Historical cost at end of year	13,558	13,221

	2020		2019	
	£000	%	£000	%
Fixed asset investments are represented by:				
UK equities	4,372	28.8	5,884	35.1
Investment and unit trusts	6,684	44.0	6,474	38.6
Overseas equities	1,768	11.7	1,497	8.9
	12,824	84.5	13,855	82.6
Fixed interest securities	1,574	10.4	1,917	11.4
UK debentures and loan stocks	777	5.1	1,015	6.0
Total managed portfolio	15,175	100.0	16,787	100.0

There are no individual investments which represent more than 5% of the Charity's investments.

Notes to the Accounts

9 Subsidiary company

The Charity has a wholly owned subsidiary, CHAS Trading Limited, which operates charity shops as well as participating in a clothes collection partnership. A summary of its results is shown below and audited financial statements will be filed with the Registrar of Companies. The Registered Office of CHAS Trading Limited is the same as the Charity.

A Deed of Covenant exists by which all distributable annual profits generated by CHAS Trading Limited are covenanted to the Charity. As CHAS Trading Limited reported a loss for the year ended 31 March 2020, there was no profit covenanted to the Charity (2019: *nil*). The reported loss for the year is after deduction of support costs from CHAS (shown in note 4) and a provision for dilapidation costs on operating leases.

	Income £000	Expenditure £000	(Loss)/profit	
			2020 £000	2019 £000
Charity shops	536	(654)	(118)	126

The net assets of CHAS Trading Limited at 31 March 2020 were:

	£000
Fixed assets	12
Stocks	-
Debtors	19
Cash at bank	14
Total current assets	33
Creditors: amounts falling due within one year	(532)
Net current liabilities	(499)
Provision for liabilities	(15)
Net liabilities	(502)

Included in debtors is an amount of £2,000 (2019: £2,000) due from the Charity. In creditors there is an amount of £291,000 (2019: £422,000) due to the Charity.

10 Debtors

	Group 2020 £000	Group 2019 £000	Company 2020 £000	Company 2019 £000
Taxation refunds	35	12	35	12
VAT	237	174	237	174
Prepayments	175	155	163	150
Amounts due from CHAS Trading Limited (note 9)	-	-	291	422
Sundry debtors	87	72	80	63
Legacies receivable	507	180	507	180
	1,041	593	1,313	1,001

Notes to the Accounts

11 Creditors: amounts falling due within one year

	Group 2020 £000	Group 2019 £000	Company 2020 £000	Company 2019 £000
Accruals and sundry creditors	1,347	696	1,107	685
VAT and NI/PAYE payable	503	242	502	241
Amounts due to CHAS Trading Limited (note 9)	-	-	2	2
	1,850	938	1,611	928

12 Provisions for Liabilities

	Group 2020 £000	Group 2019 £000	Company 2020 £000	Company 2019 £000
Dilapidations	137	-	121	-
	137	-	121	-

Movements on dilapidations provision:

	Group 2020 £000	Company 2020 £000
As at 1 April 2019	-	-
Additional provisions in the year	534	286
Utilisation of provision (note 11)	(397)	(165)
As at 31 March 2020	137	121

Dilapidations provision

The Group leases a number of properties whose lease terms expire between 2021 and 2028.

During August 2019, an assessment of the expected dilapidation costs for these properties was prepared by an independent third party. The Group has used this information to establish the fair value of the expected costs as at 31 March 2020 and has recognised the provision above for long term lease obligations and amounts within other creditors (note 11) for leases expiring in the coming 12 months.

Notes to the Accounts

13 Pension schemes

Group and Company

Lothian Pension Fund

The Charity participates in the Lothian Pension Fund, a pension scheme providing benefits based on career average pensionable pay.

The information disclosed below is in respect of the Charity's share of the assets and liabilities of the whole scheme under an agreed policy throughout the years shown. The assumptions used by the Charity, as disclosed below, were recommended by independent actuaries for application, approved by Lothian Pension Fund and adopted by the Directors.

	2020	2019
	£000	£000
Fair value of assets attributed to the Charity	22,580	22,205
Present value of defined benefit obligation attributed to the Charity	(28,954)	(29,060)
	<hr/>	<hr/>
Net deficit recognised as a liability in the balance sheet	(6,374)	(6,855)
	<hr/> <hr/>	<hr/> <hr/>

Changes in the present value of the defined benefit obligation attributed to the Charity are as follows:

	2020	2019
	£000	£000
Opening defined benefit obligation attributed to the Charity	29,060	23,764
Current service cost	2,692	2,117
Interest cost	763	672
Contributions paid by members	424	374
Actuarial (gains)/losses	(3,800)	2,320
Estimated benefits paid	(185)	(187)
	<hr/>	<hr/>
Closing defined benefit obligation attributed to the Charity	28,954	29,060
	<hr/> <hr/>	<hr/> <hr/>

Notes to the Accounts

13 Pension schemes (continued)

Changes in the fair value of assets attributed to the Charity are as follows:

	2020	2019
	£000	£000
Opening fair value of assets attributed to the Charity	22,205	19,199
Interest income on assets attributed to the Charity	571	533
Contributions paid by members	424	374
Contributions paid by the Charity	1,044	895
Return on assets attributed to the Charity excluding interest income	(1,479)	1,391
Estimated benefits paid	(185)	(187)
	22,580	22,205

The amounts recognised in expenditure in the statement of financial activities are as follows:

	2020	2019
	£000	£000
Current service cost	2,692	2,117
Interest cost	192	139
	2,884	2,256

The amounts recognised in the other recognised gains and losses section of the statement of financial activities are as follows:

	2020	2019
	£000	£000
Actuarial gains/(losses)	3,800	(2,320)
Return on assets attributed to the Charity excluding interest income	(1,479)	1,391
	2,321	(929)

The fair value of the scheme's assets attributed to the Charity, which are not intended to be realised in the short term and may be subject to significant change before they are realised, and the present value of the scheme's liabilities, which are derived from cash flow projections over long periods and thus inherently uncertain, were:

	2020	2019
	£000	£000
Equities	16,935	16,654
Bonds	2,484	2,443
Property	1,806	1,554
Cash	1,355	1,554
	22,580	22,205
Fair value of assets attributed to the Charity	22,580	22,205
Present value of defined benefit obligation attributed to the Charity	(28,954)	(29,060)
	(6,374)	(6,855)

Notes to the Accounts

13 Pension schemes (continued)

The major assumptions used in this valuation were:

	2020	2019
Rate of increase in salaries	3.4%	4.1%
Rate of increase in pensions in payment and deferred pensions	1.8%	2.4%
Discount rate applied to scheme liabilities	2.3%	2.4%

Life expectancy is based on the Lothian Pension Fund Vita Curves with improvements in line with the CMI2012 model assuming current rates of improvement have peaked and will converge to a long term rate of 1.25% per annum and is summarised below:

	Male	Female
Current pensioners	21.7 years	24.3 years
Future pensioners	24.7 years	27.5 years

The sensitivities regarding the major assumptions used to measure the defined benefit obligation attributed to the Charity are set out below:

	Approximate increase to obligation	Approximate monetary amount £000
0.5% decrease in real discount rate	15%	4,394
0.5% increase in the salary increase rate	3%	895
0.5% increase in the pension increase rate	12%	3,424

It is estimated that the Charity will contribute £1,077,000 to this defined benefit scheme in the year ending 31 March 2021. As at 31 March 2020, 238 staff were members of the scheme (2019: 220).

National Health Service Superannuation Scheme (Scotland)

The National Health Superannuation Scheme (Scotland) is a multi-employer scheme where the share of the assets and liabilities applicable to each employer is not identified. The Charity will therefore account for its pension costs to this scheme on a defined contribution basis as permitted by Financial Reporting Standard 102. The Government Actuary's Department assessed the scheme deficit at 31 March 2019 at £62.1 billion. As a result of this deficit, contributions are likely to remain in excess of current service costs.

In the year ended 31 March 2020, normal employer contributions of £702,000 were payable to the Scottish Public Pensions Agency (2019: £445,000) at the rate of 20.9% of pensionable earnings (2019: 14.9%). As at 31 March 2020, 93 staff were members of the scheme (2019: 81) paying between 5.8% and 14.7% of pensionable earnings.

Notes to the Accounts

14 Statement of funds

Group	As at 1 April 2019 £000	Income £000	Expenditure £000	Other gains and losses £000	Transfers £000	As at 31 March 2020 £000
Restricted income funds						
Rachel House	152	673	(688)	-	-	137
Robin House	87	387	(423)	-	-	51
Service Development	66	8	(37)	-	-	37
CHAS at Home	27	38	(38)	-	-	27
The National Lottery Community Fund	88	-	(88)	-	-	-
Scottish Government	83	410	(493)	-	-	-
Scottish NHS Boards	-	5,912	(5,912)	-	-	-
Scottish Local Authorities	-	680	(680)	-	-	-
Total restricted income funds	503	8,108	(8,359)	-	-	252
Unrestricted income funds						
<i>Designated funds:</i>						
Fixed asset fund	11,895	-	-	-	169	12,064
Designated for future operational investment	14,341	-	-	(1,371)	(3,470)	9,500
Pension reserve	(6,855)	-	-	2,321	(1,840)	(6,374)
General reserve	11,249	7,714	(13,192)	-	5,141	10,912
Total unrestricted income funds	30,630	7,714	(13,192)	950	-	26,102
Total funds	31,133	15,822	(21,551)	950	-	26,354

Notes to the Accounts

14 Statement of funds (continued)

Group	As at 1 April 2018 £000	Income £000	Expenditure £000	Other gains and losses £000	Transfers £000	As at 31 March 2019 £000
Restricted income funds						
Rachel House	98	1,113	(1,058)	-	(1)	152
The National Lottery Community Fund	78	103	(93)	-	-	88
Robin House	66	476	(455)	-	-	87
Scottish Government	60	411	(388)	-	-	83
Service Development	113	3	(50)	-	-	66
CHAS at Home	45	43	(60)	-	(1)	27
Scottish NHS Boards	-	5,725	(5,725)	-	-	-
Scottish Local Authorities	-	680	(680)	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total restricted income funds	460	8,554	(8,509)	-	(2)	503
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Unrestricted income funds						
<i>Designated funds:</i>						
Fixed asset fund	12,023	-	-	-	(128)	11,895
Designated for future operational investment	10,091	-	-	688	3,562	14,341
Pension reserve	(4,565)	-	-	(929)	(1,361)	(6,855)
General reserve	14,709	8,016	(9,405)	-	(2,071)	11,249
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total unrestricted income funds	32,258	8,016	(9,405)	(241)	2	30,630
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total funds	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Notes to the Accounts

14 Statement of funds (continued)

Company	As at 1 April 2019 £000	Income £000	Expenditure £000	Other gains and losses £000	Transfers £000	As at 31 March 2020 £000
Restricted income funds						
Rachel House	152	673	(688)	-	-	137
Robin House	87	387	(423)	-	-	51
Service Development	66	8	(37)	-	-	37
CHAS at Home	27	38	(38)	-	-	27
The National Lottery Community Fund	88	-	(88)	-	-	-
Scottish Government	83	410	(493)	-	-	-
Scottish NHS Boards	-	5,912	(5,912)	-	-	-
Scottish Local Authorities	-	680	(680)	-	-	-
Total restricted income funds	503	8,108	(8,359)	-	-	252
Unrestricted income funds						
<i>Designated funds:</i>						
Fixed asset fund	11,926	-	-	-	173	12,099
Designated for future operational investment	14,341	-	-	(1,371)	(3,470)	9,500
Pension reserve	(6,855)	-	-	2,321	(1,840)	(6,374)
General reserve	11,648	7,178	(12,538)	-	5,137	11,425
Total unrestricted income funds	31,060	7,178	(12,538)	950	-	26,650
Total funds	31,563	15,286	(20,897)	950	-	26,902

Notes to the Accounts

14 Statement of funds (continued)

Company	As at 1 April 2018 £000	Income £000	Expenditure £000	Other gains and losses £000	Transfers £000	As at 31 March 2019 £000
Restricted income funds						
Rachel House	98	1,113	(1,058)	-	(1)	152
The National Lottery Community Fund	78	103	(93)	-	-	88
Robin House	66	476	(455)	-	-	87
Scottish Government	60	411	(388)	-	-	83
Service Development	113	3	(50)	-	-	66
CHAS at Home	45	43	(60)	-	(1)	27
Scottish NHS Boards	-	5,725	(5,725)	-	-	-
Scottish Local Authorities	-	680	(680)	-	-	-
Total restricted income funds	460	8,554	(8,509)	-	(2)	503
Unrestricted income funds						
<i>Designated funds:</i>						
Fixed asset fund	12,048	-	-	-	(122)	11,926
Designated for future operational investment	10,091	-	-	688	3,562	14,341
Pension reserve	(4,565)	-	-	(929)	(1,361)	(6,855)
General reserve	15,240	7,536	(9,051)	-	(2,077)	11,648
Total unrestricted income funds	32,814	7,536	(9,051)	(241)	2	31,060
Total funds	33,274	16,090	(17,560)	(241)	-	31,563

Restricted income received in the year relates to trust funding, legacies, donations and statutory funding for particular projects and areas of care and support for children and families. The funds held at 31 March 2020 relate to specific expenditure yet to be incurred. Restricted funds from the Scottish Government support Diana Children's Nurses while a number of trusts, foundations and companies have provided funds to support staff, staff training and equipment for CHAS at Home and the operation and staffing of both Rachel House and Robin House.

Funding received from the Scottish NHS Boards and Scottish Local Authorities is not to be utilised for fundraising costs (including events), trading and investment management fees. Pharmaceutical supplies are also not covered as these are usually delivered free of charge from local NHS boards. While training and education is within the remit of the funding any income derived from these activities should be netted off and only net costs of education and training will be provided for.

Funds designated for future operational investment represents funds that have been ring fenced to allow CHAS to reach its strategic aim to meet the needs of all children and families in Scotland requiring palliative care. CHAS has been expanding its services and staffing and this fund will cover the expected funding deficits in the coming years. The general reserve includes any free funds of the Charity to the extent that they have not been designated for particular purposes. The Directors anticipate that the general reserve will continue to decrease in the foreseeable future owing to the forecast deficits. Moreover this reserve is at risk from the financial effects of COVID-19 as described in the Financial Outlook on page 17 and referred to at various other places in this document. The fixed asset fund is the net book value of tangible fixed assets while the pension reserve represents the current shortfall in funding for the organisational defined benefit pension scheme held with Lothian Pension Fund as supplied by independent actuaries.

Notes to the Accounts

15 Analysis of net assets between funds

Group	Restricted Funds £000	General Reserves £000	Designated Funds £000	Total £000
Fund balances at 31 March 2020 are represented by:				
Tangible fixed assets	-	-	12,064	12,064
Investments	-	5,675	9,500	15,175
Current assets	252	7,224	-	7,476
Current liabilities - falling due within one year	-	(1,850)	-	(1,850)
Provision for liabilities	-	(137)	-	(137)
Defined benefit pension scheme deficit	-	(6,374)	-	(6,374)
	<hr/>	<hr/>	<hr/>	<hr/>
Net assets including pension deficit	252	4,538	21,564	26,354
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Fund balances at 31 March 2019 are represented by:				
Tangible fixed assets	-	-	11,895	11,895
Investments	-	2,446	14,341	16,787
Current assets	503	9,741	-	10,244
Current liabilities - falling due within one year	-	(938)	-	(938)
Defined benefit pension scheme deficit	-	(6,855)	-	(6,855)
	<hr/>	<hr/>	<hr/>	<hr/>
Net assets including pension deficit	503	4,394	26,236	31,133
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Company				
	Restricted Funds £000	General Reserves £000	Designated Funds £000	Total £000
Fund balances at 31 March 2020 are represented by:				
Tangible fixed assets	-	-	12,099	12,099
Investments	-	5,675	9,500	15,175
Current assets	252	7,482	-	7,734
Current liabilities - falling due within one year	-	(1,611)	-	(1,611)
Provision for liabilities	-	(121)	-	(121)
Defined benefit pension scheme deficit	-	(6,374)	-	(6,374)
	<hr/>	<hr/>	<hr/>	<hr/>
Net assets including pension deficit	252	5,051	21,599	26,902
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Fund balances at 31 March 2019 are represented by:				
Tangible fixed assets	-	-	11,926	11,926
Investments	-	2,446	14,341	16,787
Current assets	503	10,130	-	10,633
Current liabilities - falling due within one year	-	(928)	-	(928)
Defined benefit pension scheme deficit	-	(6,855)	-	(6,855)
	<hr/>	<hr/>	<hr/>	<hr/>
Net assets including pension deficit	503	4,793	26,267	31,563
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Notes to the Accounts

16 Commitments

Future commitments under non-cancellable operating leases are as follows:

	2020	2019
	£000	£000
Land and buildings		
Within one year	177	188
In the second to fifth years inclusive	511	258
In over five years	70	80
	<hr/> 758	<hr/> 526
	<hr/> <hr/> 758	<hr/> <hr/> 526

17 Contingent assets

(a) Legacies

The Charity has been named as a beneficiary of a significant pecuniary legacy, comprising real estate property of which a significant element remained unsold as at 31 March 2020. In addition the will is subject to challenge and the valuation of the main asset in the estate, which is not the real estate property bequeathed to CHAS, is subject to ongoing discussion with HM Revenue & Customs for inheritance Tax purposes. Therefore the amount of the legacy due to the charity cannot be measured with sufficient accuracy and accordingly no provision for any asset or income in relation to this legacy has been made in these financial statements.

(b) Donations

After a due diligence exercise carried out during 2019/20, CHAS has agreed to accept the intended gift of the Ardoch estate, Gartocharn, West Dunbartonshire accompanied by a substantial cash gift. The remaining aspects of the issues arising under the due diligence are being processed to enable the finalisation of gifting arrangements. This is expected to be complete in the summer of 2020.

Notes to the Accounts

18 Post Balance Sheet Events

The COVID-19 pandemic continues to cause significant disruption to societies and economies across the globe. Although the group and parent charitable company have been significantly affected, the accounts for the year ended 31 March 2020 will not capture the full financial impact that COVID-19 will have on CHAS. Measures taken to contain the spread of the virus, including social distancing, travel restrictions and closures of non-essential services have triggered significant disruptions to our activities.

In March 2020 and in accordance with government advice, CHAS closed its head office to all but essential staff and suspended operations at its charity shops. At the time of writing in June 2020 these premises remain closed. Fundraising activities, particularly around events and in communities across Scotland have been severely impacted. Corporate fundraising is expected to be affected as the businesses that support us themselves adjust to the financial impact of the pandemic.

CHAS have furloughed staff and entered into the Coronavirus Job Retention Scheme for government support for eligible employees and other government support packages relevant to the ongoing activities of the group. At the date of approval of the financial statements, the trustees have prepared and approved up to date management accounts, budgets and cash flow projections which include key income and cost assumptions including reduced donation income and the timely settlement of furlough claims that the trustees consider reasonable and prudent.

Global stock markets have experienced significant volatility as a consequence of COVID-19 with many investors suffering losses in spring 2020 as the pandemic emerged. CHAS was impacted by this volatility as borne out in the reported investment losses for 2019/20. The Directors are encouraged that some of these losses were recovered early in 2020/21 with the portfolios valued at £16.0 million as at 31 May 2020. However investment market volatility is expected to continue, despite various governmental interventions aimed at stabilising economic conditions. This enduring economic uncertainty is expected have a significant impact on the valuation of our investment portfolios over the foreseeable future.

It is not currently possible to accurately estimate the overall financial impact that COVID-19 will have on CHAS and therefore the Directors have determined that this constitutes a non-adjusting Post Balance Sheet Event.

Notes to the Accounts

19 Prior Year Statement of Financial Activities

Group	Unrestricted Funds £000	Restricted Funds £000	2019 Total £000
Income:			
Donations and legacies	6,946	1,738	8,684
Trading activities	480	-	480
Income from investments	590	-	590
Income from charitable activities	-	6,816	6,816
	<hr/>	<hr/>	<hr/>
Total income	8,016	8,554	16,570
	<hr/>	<hr/>	<hr/>
Expenditure:			
Cost of raising funds	(3,432)	-	(3,432)
Cost of charitable activities	(5,973)	(8,509)	(14,482)
	<hr/>	<hr/>	<hr/>
Total expenditure	(9,405)	(8,509)	(17,914)
	<hr/>	<hr/>	<hr/>
Net (expenditure)/income on operating activities	(1,389)	45	(1,344)
	<hr/>	<hr/>	<hr/>
Net losses on investments	688	-	688
Remeasurement gains on defined benefit pension scheme	(929)	-	(929)
	<hr/>	<hr/>	<hr/>
Net movement in funds	(1,630)	45	(1,585)
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Company			
Income:			
Donations and legacies	6,946	1,738	8,684
Income from investments	590	-	590
Income from charitable activities	-	6,816	6,816
	<hr/>	<hr/>	<hr/>
Total income	7,536	8,554	16,090
	<hr/>	<hr/>	<hr/>
Expenditure:			
Cost of raising funds	(3,078)	-	(3,078)
Cost of charitable activities	(5,973)	(8,509)	(14,482)
	<hr/>	<hr/>	<hr/>
Total expenditure	(9,051)	(8,509)	(17,560)
	<hr/>	<hr/>	<hr/>
Net (expenditure)/income on operating activities	(1,515)	45	(1,470)
	<hr/>	<hr/>	<hr/>
Net losses on investments	688	-	688
Remeasurement gains on defined benefit pension scheme	(929)	-	(929)
	<hr/>	<hr/>	<hr/>
Net movement in funds	(1,756)	45	(1,711)
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>



CHAS Head Office

Canal Court, 42 Craiglockhart Avenue, Edinburgh, EH14 1LT
t: 0131 444 1900 e: support@chas.org.uk

www.chas.org.uk

     **supportCHAS**

Children's Hospices Across Scotland is a trading name of Children's Hospice Association Scotland.
Scottish charity number SC019724.



CHAS is very grateful to all our supporters, including:

