



Children's Hospices Across Scotland

Annual Report and Accounts 2022/23



Chair's Statement

Being the Chair of CHAS is a uniquely exhilarating and humbling experience, and I am often asked whether my role is an emotionally demanding one: CHAS is undoubtedly one of the most positive, uplifting and compassionate organisations I have ever had the privilege to be associated with. We provide families with the care, support and understanding they need on the most difficult of journeys. Strong emotions are always present, but joy and fun also play a huge role.

As we emerge from the pandemic, I could not be any prouder of the resilience, tenacity, compassion and determination of the entire team at CHAS. As a charity that supports and cares for clinically vulnerable babies, children and young people, we have been unable to simply return to our pre-pandemic ways of working and have had to adapt our services to ensure that we provide safe and effective care for those who need it. The landscape for care has continued to be challenging as we remobilised following the pandemic, but over the year we have strengthened our position by bolstering and developing our nursing team and driving forward significant enhancements in our outreach work. CHAS has continued to adapt to meet the changing needs of children and families who rely on our vital services, and I am deeply proud of the difference we have been able to make to families across Scotland.

We have sharpened our focus on responding to families' changing requirements and have recognised the growing need for care to be delivered in family homes and community settings. Through our new Outreach team, we have reshaped the service we provide, bringing together our CHAS at Home nursing team and our Family Support team. This integrated team has enabled us to take more care into the heart of families homes and communities.

CHAS relies heavily on the continued support of the public and our partners, who with their generous donations and inspiring fundraising activities, enable us to deliver our vision and mission. Thanks to them - and the creativity, skill and dedication of our Fundraising team - 2022/23 has been the most successful fundraising year in CHAS's history. I am very grateful to every single one of our supporters who have continued to be steadfast in their support to CHAS: without you CHAS would not be here. Your loyalty and generosity is as incredible as it is humbling. Every gift, every minute or penny donated, has had a huge impact on the children and families we support.

On behalf of the Board, I am grateful for the ongoing support CHAS receives from our statutory funders. In addition to much valued core funding, further one-off government support provided at the end of the year has played a key role in allowing us to broaden our reach. Statutory funding continues to be vital as we continue to work towards financial sustainability in providing hospice care across Scotland.

With income growing we have been able to expand our services, thanks to our generous supporters getting us to a point where we are closer than ever to a day where we are able to be there for any family that needs our support wherever and whenever they need it. Our priorities for the years ahead will focus on: increasing our children's hospice service provision in family homes and communities; making sure that Rachel House and Robin House are equipped with the appropriate resources to ensure the continuation of high-quality in-hospice care; and building on our existing partnerships with the NHS and Local Authorities that are essential to seamless, integrated care.

CHAS recognises the value of its people and that its employees are its most precious resource. Our people do extraordinary things for children and their families every day. On account of our strong results in voluntary income, this year we were able to address key disparities in pay, bringing clinical salaries into greater alignment with our NHS counterparts, ensuring that every employee is paid fairly and equitably. We have also pioneered improvements in employee and volunteer benefits, developing bespoke training plans for our nurses and expanding the use of our designated employee assistance provider to our valued volunteer community.



Chair's Statement

The appointment of Jane Smith as Chief Operating Officer in early 2023 completed the restructure of our Senior Leadership Team. Jane's breadth of knowledge in the sphere of facilities and corporate services is already making a profound difference to the experiences of children and families. Under Rami Okasha's leadership, I am confident that this new and invigorated team will continue to positively shape CHAS's future and reach every family in Scotland who needs us.

I would like to express my deep thanks and gratitude to my fellow trustees, the Senior Leadership Team, our staff and volunteers for the dedication, passion and enthusiasm they demonstrate every day in supporting children and families. Earlier this year I was delighted to welcome Gillian Donald, Faraz Hussain and Sophia Salim to the Board, each bringing with them a unique perspective of lived experience of CHAS's care alongside their impressive skill sets. I am pleased that we have a strong, forward thinking and experienced Board that will ably direct and guide CHAS.

As we publish our Annual Report and Accounts, we remain acutely aware that there are families in Scotland who still need our help. Whilst we continue to live in immensely challenging and uncertain times, CHAS remains focussed on our commitment to provide unwavering care to children who may die young and their families.

Peta M Hay
Chair of the Board of Directors



Strategic Review

CHAS is extremely proud to have provided palliative and end of life care, family support and respite for babies, children, young people, and their families since 1992. We provide care for some of Scotland's most vulnerable families through our two hospices, Rachel House and Robin House; through our outreach service, where we support families in their own homes; and by working with our colleagues in the NHS to provide care in every children's hospital in Scotland.

Over the last year, the landscape for delivering care has remained challenging but we have made good progress on remobilising our services. Like many organisations, challenges have included pandemic recovery, rising costs, and staff and volunteer recruitment. Our focus, however, remains on providing as much care as possible and providing this safely. All of this is made possible through partnership working with our close colleagues in the NHS and Local Authorities. Teams across the charity have supported families and worked flexibly across our services. Families, staff and volunteers have commented on the renewed vibrancy of the hospices coming out of the pandemic, with increased activities taking place including music therapy, Clowndoctors, magicians, parties, and extensive garden usage.

We officially marked the end of our 30th anniversary celebrations at the beginning of 2023 and reflected on a year where we celebrated the families, staff, volunteers and supporters who have been so vital to CHAS's growth and success.

We extended our strategic plan, 'Reaching Every Family in Scotland', for a further year and continue to make good progress on the delivery of the initiatives within the plan, although some have been re-prioritised as we emerge from the pandemic. Our next CHAS Plan will launch in 2024, and work has already begun with significant engagement from the children and families we support. This year, we have focused on delivering more **care**; developing our **people**; **growing** our organisation; and continuing to work in **partnership**.



Strategic Review

Care

The landscape for delivering care remains challenging but we are making good progress on remobilising our services. There has been a sustained increase in hospice bed usage, CHAS at Home visits, and Home Support Volunteer visits. To support further remobilisation of our services, we launched our Care Services Plan in September. This guides remobilisation work and bridges to the next CHAS Plan, helping clinical and non-clinical staff in planning work. We have invested in leadership development for the Children and Families team, following the introduction of a new management structure.

We are proud to have directly supported 388 babies, children and young people over the year (2022: 416) in our hospices and their homes, and many hundreds more through our hospital teams across the country. We provided end of life support to 55 babies, children and young people (2022: 62) and accepted 90 referrals to CHAS over the year (2022: 71). For every baby, child or young person that we care for, we also provide crucial support for around four other family members.

Care continues to be provided with agility. We have seen an intensification of the depth and complexity of care we are required to provide in the last year and have increased our medical and advanced nursing workforce. Our Family Support team is supporting more families exposed to trauma and poverty, so we proactively commissioned the Social Care Institute for Excellence (SCIE) to undertake a review of our safeguarding. This offered CHAS the opportunity to be assured that we are fully meeting our obligations around promoting the welfare of children and protecting them from harm.

We have worked with an NHS workforce planner in defining an appropriate post-pandemic nursing staff establishment level and have recruited further to strengthen our care teams.

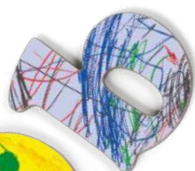
The cost-of-living crisis for families continues and this has remained a big focus for us. We have a role in arguing for systemic change to support families, especially around energy bills: many families must keep their house warm and run energy-hungry specialist equipment to safely care for a child with a life-shortening condition.

Supporting children and families in hospices

During the pandemic, it was essential to prioritise emergency and end of life care in our hospices given the necessary restrictions on capacity. As COVID-19 further loosened its grip during the year, we were delighted to reintroduce planned respite stays, and increased the number of families who could be in the buildings at any one time. This very welcome return of hospice activity saw a total of 534 admissions this year (2022: 302), which includes multiple visits for some children or young people. During these visits we delivered 2,014 bed nights for babies, children and young people (2022: 1,332) and 3,443 bed nights for their families (2022: 1,861). In addition to hospice stays, many other families have used our gardens and outdoor spaces for therapeutic interventions, fun activities, and meeting together after years of self-isolating.

During the past year, we were able to recruit an additional ten nurses and six nursing support workers. This will facilitate further increases in the provision of in-hospice care next year, as well as enabling us to remain focussed on our outreach services which are such a lifeline, particularly to families living in remote areas of the country.

We further bolstered our medical sustainability during the year with the appointment of Dr Annabel Howell as our Medical Director, and the appointment of three additional doctors with a range of specialisms. Meanwhile, two more nursing staff commenced training as advanced nurse practitioners, meaning that we now have nine colleagues who are working towards this qualification or are already qualified. This will support further increases in the provision of high quality, safe and effective care in the years ahead.



Strategic Review

We have installed 'What Matters To Us' boards in hospice bedrooms, which enables children and families to give instant feedback on our services and share their preferences.

Supporting children and families at home

Our outreach service has now been established for over a year and incorporates our CHAS at Home team, Family Support team and Diana Children's Nurses. This team allows us flexibility to use our skills to provide the best possible outcomes for the children and families we support.

Our CHAS at Home team grew at pace during the pandemic in response to the needs of children and families and remains a key area for future development. The team provides medical and practical support that meets the individual needs of the child or young person in the comfort of families' own homes. Our nursing teams are highly skilled in looking after children with exceptional health care needs, such as those who use a ventilator.



Although our at-home work peaked during the height of COVID-19, our outreach service nonetheless provided 1,295 visits to families (2022: 1,533) during which we delivered 4,404 hours of care (2022: 5,964). Our Home Support Volunteer service is also available to families living in certain areas and allowed us to provide a further 291 visits, where practical, non-clinical support was needed (2022: 303).

We continue to invest in our Family Support team. The number of children and families that this team reach, through either face-to-face or telephone meetings, has increased sharply. During the year the team supported 193 children (2022: 155) and 703 family members (2022: 575). During the year, we recruited a new Bereavement team to better support families of children who have died.

We have advocated for families in crisis, particularly those who are struggling with energy bills and called for increases to child payments. Our Family Support team contains two money advice specialists who continue to provide support to families in maximising their income and securing essential grants. Over the past year, the team submitted 57 funding applications and have achieved 23 successful benefit applications, with total financial gains for families supported by us in excess of £100,000. We also began testing hub events in communities across the country in collaboration with Community Children's Nurses. We continue to deliver Care 24 in collaboration with NHS Lothian. During the year, this service helped us reach four children and families in the region who chose to be at home at end of life (2022: four).



Supporting children and families in hospital

We work in close partnership with NHS colleagues and have responded to increasingly complex care needs through joint CHAS/NHS paediatric palliative care in every children's hospital in Scotland. This ongoing collaboration increases and improves palliative and end of life care provision across the country.

We have been working closely with NHS Greater Glasgow and Clyde to strengthen the joint hospital team in the Royal Hospital for Children, supporting additional capacity in this team. Since its formation in September 2019, the team has supported 229 referrals of children and young people, of which 64% were not previously known to other CHAS services.



Strategic Review

In order to grow the cohort of consultants with a specialism in paediatric palliative medicine, we have, unusually, funded a doctor to undertake a two-year specialist training programme at Great Ormond Street Hospital. We continue to part-fund a consultant paediatrician based in the Royal Aberdeen Children's Hospital who works alongside a CHAS Diana Children's Nurse, and a newly-appointed CHAS Social Worker. We part-fund a speciality doctor post in NHS Ayrshire and Arran. In NHS Lothian, we fund a specialist consultant post and a CHAS Diana Children's Nurse, medical locum cover, and are providing temporary medical leadership to support the team.

We have strengthened our work with the children's community team in NHS Highland and have planned a hospital-based post in Inverness.

Supporting children and families virtually

Our virtual children's hospice was developed at pace during the initial pandemic lockdown and has now been part of our service offering for three years. Initially devised to maintain the provision of certain elements of our care during a difficult period of isolation for families, the service has evolved and is now embedded across various strands of our care provision.

The ongoing provision of certain services through technology has the significant benefit of enabling families in remote areas to access the care and joy that some of our services offer. During the year we held 236 such events, including 69 virtual visits from the Clowndoctors and 68 music therapy sessions held on Zoom. Other important and continuing virtual services include the running of bereavement groups and sibling events.



People

Our people set the tone of our workplace culture and, to reach our shared organisational goal and purpose, we have maintained a sharp focus on ensuring our people are engaged, supported and heard, to offer the best possible experience for everyone in CHAS. We are particularly pleased that a number of staff have returned to CHAS after periods working elsewhere.

We have reviewed themes from our staff engagement survey and specific focus has been dedicated to pay, connection, learning opportunities, and wellbeing. Directorates have developed action plans with their teams and tangible progress is being made to create an outstanding employee experience. The establishment of a new Extended Leadership Team will build leadership capacity and connection between teams after the pandemic. We have now completed the restructure of our Senior Leadership Team: in May 2022, Dr Annabel Howell became the Medical Director following the retirement of Dr Patrick Carragher after 25 years' service; and in January 2023, we welcomed Jane Smith to our newly created Chief Operating Officer post.



Our Volunteer Survey results for the year have been resoundingly positive and highlighted that current CHAS volunteers remain engaged with the organisation: 100% of volunteers agreed that they enjoyed volunteering with CHAS, whilst 98% felt that their contribution was valued. The Volunteering team has also designed and developed a new one-hour workshop for staff who manage volunteers and this will further contribute to a good quality volunteer experience.

Our Menopause Support Group launched on World Menopause Day in October. The group provides a supportive and confidential forum where staff experiencing perimenopause or menopause symptoms can meet in a safe space and share challenges, experiences and ask questions.

We are continuing to improve our health and safety culture and operations by developing a systematic approach to managing health and safety. Relevant staff have completed the Institution of Occupational Safety and Health's 'Managing Safely' and 'Directing Safely' courses, in partnership with Fife College.

Strategic Review

To support staff wellbeing, we arranged targeted webinars provided by our employee assistance provider to raise awareness amongst staff and managers. We introduced Schwartz Rounds, where colleagues across all disciplines can participate in reflective practice by discussing the emotional and social aspects of the difficult work we do. We are developing further specific interventions to support hospice staff after a child dies and our new psychologist and psychotherapist service is in place for any colleagues who require it.

To support staff learning opportunities, we have developed a new manager training programme, and the first sessions commenced in March. We are also developing a plan for CHAS to become a trauma-informed workplace. The roll-out of these initiatives will help to build systems and services that will, in turn, directly improve the service we are able to provide to children and families. It will also improve the employee and volunteer experience in CHAS.

Growth

We are forever grateful for the kindness and love that our dedicated supporters continue to show. They have helped us to expand and adapt our services and ensure we are delivering care which is aligned to the needs of families across the whole country. We are proud to have raised an incredible £6.7 million in donations (2022: £4.8 million). Income for the year has exceeded expectations across all our main fundraising channels, while our retail operation is performing strongly in challenging market conditions.

We wish to acknowledge the vital support of the Scottish Government, who have committed to providing sustainable funding for children's hospice services across the country and contributed £9.5 million towards our running costs this year, between recurring and one-off top-up funding (2022: £6.3 million). We were also proud to host our parliamentary reception to celebrate 30 years of CHAS which allowed politicians, NHS colleagues, and CHAS founding members and colleagues, to come together to recognise Scotland's unique model for children's palliative care and its impact on families.

CHAS remains the number one Scottish-based children's charity in terms of tracking and feedback from donors and the wider public. The results of our Supporter Survey in March were very positive: 97% of our supporters felt proud to support CHAS and 98% trusted CHAS to deliver the outcomes it promised for children who may die young and their families. Furthermore, 98% of supporters stated that they were likely to continue supporting CHAS by donating or volunteering, which assures us that we are stewarding our supporters effectively and appropriately.

Our new face-to-face fundraising programme started in May, following a successful pilot. While this required a significant strategic investment, donor recruitment and income to date have been encouraging. The results of our Christmas 2022 campaign were equally positive and demonstrated that we are successfully maintaining awareness levels and are leading the way amongst Scottish children's charities. The likelihood to support CHAS has increased by 7% on the previous year, whilst the propensity to support CHAS exceeded our target range. Our evaluation of the campaign demonstrated that positive emotional reactions were evoked by our TV advertisement with supporters commenting that they found it to be "powerful", "poignant" and "very moving". We were well represented at the recent Chartered Institute of Fundraising Awards, where we were shortlisted for Best Marketing and Communications Campaign, and a staff member, Lara MacDonald, won Fundraiser of the Year.



Strategic Review



Our charity shops continue to perform well with turnover growing by over 8% to reach £526,000 (2022: £484,000). On 31 March 2023, we transferred our retail operations from our subsidiary company, CHAS Trading Limited, into our main charity. This will facilitate the full roll-out of Retail Gift Aid across all our shops. Our volunteer-led eBay store and volunteer-run bookshop at the Errol Sunday Market both continue to perform well and provides essential income streams to support our charitable activities.

We held our inaugural Ardoch Loch Lomond showcase and networking event in January for corporate partners and key contacts. We continue to operate the Ardoch estate on commercial terms to a growing range of clients and have secured planning permission to host weddings there.

Our corporate fundraising goes from strength to strength. October 2022 saw the conclusion of our highly profitable partnership with Scotmid, whose staff raised over £375,000 – a sum which surpassed expectations. Our corporate partner Loganair fly CHAS staff to visit families on the islands and arranged a unique scenic air tour around the Highlands and Islands for children. Families living in remote places have told us that receiving care at home has made such a difference to their life. We also received two brand new minibuses which had been gifted to us by Variety Golf through their Sunshine Coaches initiative and replaced aging fleet vehicles. We have continued to run high-profile events, including a very successful 10th Fawkes-y Ladies Lunch which was held in November in Edinburgh and generated net income of approximately £140,000.

Our community fundraising highlights included the continuing growth of our challenge events portfolio, which raised the milestone amount of £500,000 this year. Our Community Fundraising team have maintained and developed fundraising initiatives throughout the year that have supported the generation of over £1.8 million. Capital Sci-Fi Con has returned in full force, with two events held during the financial year; one in July and the other in February. Although the smooth running of the event is a logistical challenge, it is sector-leading in opening us up to new audiences. Since 2016, this event has raised over £370,000 for CHAS.



Partnerships

Working in close partnership is vital to CHAS's ambition – without our partners, we simply would not be where we are today. We continue to engage widely with other care organisations, Local Authorities, and the Scottish Government. We have been working closely in the decision-making process around whether children's services should be incorporated into the National Care Service, helping amplify the voice of children and families. We continue to strengthen links with NHS community teams and have started some shift-swapping between Rachel House and the NHS Lothian Community Children's Nursing team.

We maintain good links with universities. This includes CHAS running palliative care sessions for all the child health nursing year groups at Dundee University and Robert Gordon's University. Topics include an introduction to palliative care and complex communication around advance planning. We have also delivered similar sessions for Edinburgh Napier University and Glasgow Caledonian University. During the year, we hosted a doctor and representative from Hospices of Hope, a palliative care charity based in Eastern Europe, and shared information about our care provision and the services and facilities we offer to children and families.

We are proud to have hosted a joint hustings session with Marie Curie, ahead of the local government elections which took place in May 2022. It was heartening to see that there was significant political consensus across the candidates who acknowledged that palliative care was an issue which transcended party lines.

We have received £196,000 funding from the British Gas Energy Trust to help families with energy costs. This will provide funding for two advisors to work directly with CHAS families over two years to reduce energy outgoings and help with broader money worries. The fund will also provide emergency vouchers to families who would otherwise struggle to keep their electricity or gas on.

Strategic Review

CHAS is also working with the Prince and Princess of Wales Hospice (PPWH) in Glasgow on a transition project. This will see young people spend time in PPWH with CHAS staff they know with the aim of facilitating a smooth transition to adult hospice services. We are also exploring ways of sharing patients' electronic records with NHS Greater Glasgow and Clyde, and electronic prescribing. If implemented, both would improve care quality and efficiency.

Our Lead Chaplain has joined a national professional lead group to advise the Scottish Government on palliative and spiritual care guidelines. She is also building links with the Northern Irish Children's Hospice to help them embed chaplaincy in their work.

Through our partnership with music charity, Nordoff and Robbins, 178 children, families and volunteers wrote and recorded an original song called 'Music and Me'. This created lasting memories, had excellent therapeutic effect, and facilitated contact with some families who required additional support.

Through Ardoch Loch Lomond, we have developed links with the wildlife charity, RSPB. A group of siblings recently made a day trip to the reserve in Loch Lomond Country Park and were treated to a day of creativity and nature. RSPB have supported work in the hospice gardens. The Lord Lieutenancy of Dunbartonshire arranged for one of the trees from the Tree of Trees, as displayed outside Buckingham Palace for the Platinum Jubilee, to be planted at Robin House.

Section 172 Statement, Employee Engagement and Business Relationships

The trustees of Children's Hospices Across Scotland are Directors for the purposes of company law. As with Directors of all UK companies, they must act in accordance with a set of general duties that are set out in section 172 of the Companies Act 2006. They must act in a way that they consider, in good faith, would be most likely to promote the success of CHAS and the interests of all our stakeholders and in doing so have regard to the following factors:

The likely consequences of any decision in the long term

We are very proud to have supported children, young people and families going through the toughest of times for 30 years. During this time, CHAS has developed a unique and integral role in the Scottish healthcare system. As such, the Directors are mindful that their diligent guardianship of the company is essential in securing the long-term viability of our vital services. We have made a solemn commitment to be there for all those we support, for as long as necessary. In view of this, the Directors' careful attention remains on long-term financial and strategic planning to ensure CHAS remains a well-governed charity with financial strength long into the future. All significant budgetary and investment decisions are made with this objective firmly in mind.

The interests of the company's employees

At CHAS, our work begins and ends with people. Caring for children, young people and families is at the core of what we do and without our dedicated and skilled employees and volunteers, this would be impossible. We recognise that our ability to attract and retain the best people is fundamental in delivering our strategy. The work we do is essential, cherished by those we support and a joy to provide. Sadly, it is also an unavoidable truth that difficult times often come around and we are mindful of the emotional impact our work can have, especially for front-line colleagues. Although many aspects of life returned to relative normality some time ago, facemask requirements could only be lifted in our hospices as recently as May 2023. We are acutely aware of how challenging recent years have been for everyone as a result, firstly of the pandemic and latterly with increasing cost-of-living pressures faced by many. We have further narrowed the gap between our clinical pay rates and those in the NHS to remain competitive in the clinical employment marketplace. Recognising the nature of the work we undertake, we provide a range of specialist wellbeing and psychological support for staff.

Business relationships with suppliers, customers and others

The children, young people and families that we care for, together with our unwavering and generous supporters, are our key external stakeholders. We ensure that the voice of children and families are at the heart of informing the development of our strategic plans and engage widely with employees, volunteers, external professionals and other interested parties. Effective supporter engagement and stewardship is integral to our Fundraising Strategy and facilitated by the excellent relationships maintained with communities, trusts and corporate donors, as evidenced by the feedback received from our supporter surveys. We continue to work with many local small businesses where practicable and, to the greatest extent possible, settle invoices within the agreed payment terms.

Strategic Review

Impact on the community and the environment

The work that we do has a demonstrably positive social impact, not least on the children and families who access our services. Our hospices have long been embedded into the Balloch and Kinross communities, which together with other communities throughout Scotland and beyond, support the work that we do in myriad ways. Nonetheless we remain conscious of the environmental impacts of our operations, particularly those stemming from the significant but necessary utilities consumption involved in running two hospices and from the carbon emissions resulting from the travel necessary in the provision of our outreach services, fundraising and other operations. Our Environmental and Sustainability Steering Group continues to work on identifying all practicable ways in which we can minimise the harm caused to the environment through our activities.

High standards of business conduct

Our care and charitable activities rightly operate in a highly regulated environment and the Directors are committed to the highest standards of business conduct across all areas of our operations. Our services are regulated by Healthcare Improvement Scotland and the Care Inspectorate, and we strive to fully meet and, wherever possible, exceed the standards they expect. Our medical, nursing, healthcare, social care and social work staff, are all professionally registered. We strive for the highest standards in fundraising, with all the team ensuring compliance with the Institute of Fundraising's codes of conduct and practice. Many of our valued support colleagues carry professional designations in areas such as accountancy, human resources and property management, and are bound by the high standards that continuing membership of their respective professional bodies require. Our core organisational values apply not only within CHAS, but also to our external activities and in the way we interact with others in our business ecosystem.

The need to act fairly between members of the company

Following the completion of our externally led governance review, which identified excellent practice, we have implemented several improved policies and processes for trustees. These include a Trustee Code of Conduct, as well as Conflict of Interest and Terms of Office policies. Board and Committee meetings are increasingly held in person with a view to the team development and improved discussion which will result in the best possible decisions being reached. We are proud of our diverse Board. The wide variety of life experiences, professional and personal backgrounds, that each of our trustees bring to the table – including in some instances the personal experience of a loved one using CHAS's services – greatly enhances our strategic decision making to the great benefit of all those we support.



Our Context and Operating Environment

Governance

Legal Status

Children's Hospices Across 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 20 September 2021. The company was registered as Children's Hospice Association Scotland until 26 October 2020.

Children's Hospices Across 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.

Ardoch Loch Lomond Limited (company number SC686614) is a wholly owned subsidiary of Children's Hospices Across Scotland. The company was incorporated on 20 January 2021 and commenced trading on 1 July 2021. The company operates commercial activities from Ardoch Loch Lomond, which was gifted to Children's Hospices Across Scotland in October 2020.

CHAS Trading Limited (company number SC155327) is also a wholly owned subsidiary of Children's Hospices Across Scotland. The company ran charity shops, sold donated goods online and participated in a clothes collection partnership. On 31 March 2023, however, these activities were transferred to Children's Hospices Across Scotland. The Directors intend to retain CHAS Trading Limited as a dormant company.

Registered Office

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

Board of Directors

Children's Hospices Across 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:

Peta M Hay (Chair)
Dr Edward I Doyle (Vice Chair)
Nicola M Connelly
Gillian Donald (appointed 26 September 2022)
Faraz M Hussain (appointed 26 September 2022)
Donald R Macdonald
Dr Deirdre McCormick
Jacqueline M Pepper
Stephen Reid
Sophia D Salim (appointed 26 September 2022)
Peter J Smyth
Gwen P Westgarth
Graham Wood (resigned 20 June 2022)

Company Secretary

Gillian Phillips

Board Appointments

Directors are appointed in accordance with Children's Hospices Across Scotland's Articles of Association and are recruited for their skills and experience in areas relevant to our activities, including nursing, paediatrics, social services, business, legal, fundraising and public relations. Additionally, we have parent and sibling members on our Board.

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 Context and Operating Environment

Board Meetings and Governance Developments

Full Board meetings are held so that the Directors may review and agree matters of strategy and principle, as well as review performance against agreed plans and budgets.

While some Board and Committee meetings continue to be held online, an increasing number are held in-person or through a hybrid of both. The Chief Executive and Senior Leadership Team attend all Board meetings and there is executive presence at all Committee meetings. The Board meet no fewer than four times each year in alignment with quarterly reporting cycles.

We concluded our governance review during the year with Trustee Code of Conduct, Conflict of Interest and Terms of Office policies all now established. In addition, our governance arrangements were further strengthened with the development of an overarching corporate risk appetite statement.

In December 2022, CHAS appointed BDO in order to establish an outsourced internal audit function, with a view to greater development of our internal control environment and enhancing the efficiency and effectiveness of our financial and some non-financial processes. The Finance and Audit Committee approved BDO's internal audit plan for the year ahead and Internal Audit Strategy for 2023-26 following their presentation at the Committee's meeting in April 2023.

Board Committees

The CHAS Board delegate responsibility for three key areas of activity and policy to Committees in accordance with the company's Articles of Association and a Scheme of Delegation. 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.

Clinical and Care Governance Committee

This Committee is responsible for providing leadership and strategic direction to the development of clinical and care governance across CHAS. It ensures 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 and further enhanced across CHAS through continuous professional development and sharing best practice with palliative care colleagues across the UK and further afield.

Committee Members: Jacqueline M Pepper (Convenor), Dr Edward I Doyle, Dr Deirdre McCormick, Sophia D Salim (from 26 September 2022), Gwen P Westgarth.

Corporate Governance and Risk Committee

The Corporate Governance and Risk Committee ensures that appropriate structures, policies and practices exist to support the effective management of corporate risk and human resources across CHAS. This Committee also maintains a strategic overview of the direction and performance of the Board, its committees and our organisation in general. The Committee ensures that CHAS is compliant with all employment and corporate aspects of the law, relevant regulations, and best practice.

Committee Members: Donald R Macdonald (Convenor), Gillian Donald (from 26 September 2022), Peta M Hay, Peter J Smyth.

Finance and Audit Committee

A key part of this Committee's remit is to ensure that robust financial governance and accountability is in place throughout CHAS and that we are compliant with all financial and accounting regulations and best practice. The Committee ensures that an appropriate internal control framework is in place across the organisation and plays a key role in protecting CHAS's assets and maximising its income. The Committee is responsible for ensuring that major capital projects are managed in a way that maximises the operational effectiveness of our assets. In addition, the Committee ensures that our auditors are supported in the delivery of a robust annual external audit and an effective ongoing internal audit programme.

Committee Members: Stephen Reid (Convenor), Nigel Barry (co-opted Committee member), Faraz M Hussain (from 26 September 2022), Nicola M Connelly, Gemma Rankine (co-opted Committee member), Graham Wood (until 20 June 2022).

Our Context and Operating Environment

Executive Management

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

Chief Executive

Rami Okasha

Senior Leadership Team

Susan K Hogg, Director for Children and Families

Morven L MacLean, Director of People and Strategy

Iain W McAndrew, Director of Fundraising and Communications

Dr Annabel P Howell, Medical Director (from 2 May 2022)

Dr Patrick Carragher, Medical Director (until 1 May 2022)

Jane Smith, Chief Operating Officer (from 9 January 2023)

John MacKerron, Interim Director of Finance and Corporate Services (until 1 February 2023)

Effective 9 January 2023, the Chief Operating Officer post replaced the Director of Finance and Corporate Services post as the chief financial officer of the CHAS group, as part of a restructure of the Senior Leadership Team.

Remuneration arrangements

The remuneration arrangements for the Chief Executive and Senior Leadership Team are designed to offer a package which fits their level of responsibilities and is in accordance with market demands.

Legal and Administrative Information

When required, CHAS uses the services of the following professional advisors:

- Harper Macleod LLP, The Ca'd'oro, 45 Gordon Street, Glasgow G1 3PE
- Turcan Connell, Princes Exchange, 1 Earl Grey Street, Edinburgh EH3 9EE
- RSM, Third Floor, 2 Semple Street, Edinburgh EH3 8BL
- DM Hall Chartered Surveyors, 17 Corstorphine Road, Edinburgh EH12 6DD

Our Operating Model

CHAS staff and volunteers make a difference by offering integrated palliative and end of life care and respite for the whole family through our two hospices, Rachel House in Kinross and Robin House in Balloch; CHAS outreach services supporting families at home and in their own communities; colleagues working in every children's hospital in Scotland; and our dedicated Family Support team. This is made possible through working in partnership with NHS and Local Authority colleagues.

The landscape for care remains challenging as we have sought to remobilise. Our operating model remains resilient, and we have seen sustained demand for our outreach services. As COVID-19 restrictions eased during the year, we increased the number of families supported at any one time at each of our hospices, while maintaining higher levels of support in children's own homes. We have sought to grow referrals through proactive partnership working with the NHS and have invited doctors to our hospices. Our virtual children's hospice remains an integrated part of our service offering, allowing us to bring the hospice into family homes.

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 child and their family. Key features include the management of distressing symptoms, short breaks, and end of life care. Paediatric palliative care begins from the point a child's condition is diagnosed or recognised, and extends right the way through to bereavement, or transition to adult services. Our care constantly evolves to reflect research from relevant disciplines.

Our services are free to children and families, and we 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 provide social work, chaplaincy, counselling, resilience, activity and play therapy to children and their families.

Our Context and Operating Environment

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 fund and employ an expanding multi-disciplinary hospital presence in Aberdeen, Edinburgh, Glasgow and Kilmarnock.

Our virtual hospice means that, for children and families who are unable to come to our hospices, we use technology to bring our hospice services to their home instead.

Responsive and person-led

We tailor our care based on the 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 health care 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

Collaboration is key to everything we do. We engage with a wide range of professionals who work together in multi-disciplinary teams, pioneering models of care that integrate health, social care and social work practice. Listening to the voices of 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 this has remained our core focus throughout the pandemic. 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 helps us to continually improve our services. 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.

Engagement with employees and volunteers

Our people are vitally important to us, and we are pleased that many forge rewarding long-term career paths with CHAS. We seek to attract the best talent to help us deliver our strategic plans and to support staff and volunteers to be engaged in our work. This includes ensuring:

- further alignment between our clinical pay rates and those of the NHS;
- senior employees attend all Board and Committee meetings with shadowing opportunities available for others;
- a wide range of care, fundraising and operational staff deliver presentations at each Board meeting;
- our employees are supported where they wish to pursue volunteering opportunities with other organisations;
- employees are incentivised to recommend fellow professionals to CHAS via a recently launched Employee Referral Scheme;
- there is extensive staff and volunteer involvement in the delivery of our CHAS Plan initiatives;
- annual staff and volunteer surveys are conducted to engage and monitor feedback; and
- effective processes are in place to support wellbeing, including professional supervision for clinical teams and an employee assistance programme for all staff.

Financial Review

The financial year just ended brought a renewed sense of optimism and a return to a greater sense of normality as the world emerged from the shadows of the COVID-19 pandemic. We are delighted to report significant increases in activity across CHAS.

Over the last year, we have continued to open beds as we re-build capacity at our hospices. The number of babies, children or young people who received care at Rachel House and Robin House, along with the provision of bed nights, both increased significantly in the year. Our in-hospice care continues to be complemented by the significant provision of outreach care. Although outreach activity has reduced slightly this year owing to the greater availability of in-hospice care, the delivery of care services across the communities of Scotland remains significantly above pre-pandemic levels. Meanwhile, in-person community fundraising activities and flagship events have all returned to a scale last seen before the pandemic and our charity shops are once again bustling. Ardoch Loch Lomond is open for business and the work to maximise its commercial potential is well underway. Offices have been far busier with much greater opportunity for collaboration.



Our Context and Operating Environment

This renewed activity is reflected in our financial results this year. Despite the end of COVID-19 emergency funding, total income generated increased to £22.2 million (2022: £20.9 million). This was some £4.6 million higher than anticipated at the start of the year. For the first time ever, we have exceeded the £10 million milestone in fundraised income. Income from donations, legacies and trading collectively were £11.3 million (2022: £8.5 million) and this has been a huge achievement for our Fundraising team. Statutory funding continues to be an essential part of our income and we are grateful to our funders for the increased support reflected in the £10.2 million received this year (2022: £7.0 million) which includes £7.0 million of core funding from the Scottish Government.

The provision of specialist person-centred care remains costly, and staffing continues to dominate our expenditure. As we strive to maintain a high level of outreach care across Scotland, together with the ongoing resumption of in-hospice provision, we have bolstered our clinical staffing levels. At the same time, it was essential that CHAS responded with pace to the cost-of-living crisis, through the provision of pay awards and retention payments to remain competitive in fierce employment markets. We have also faced increasing costs as high levels of agency staff were needed to fill rota gaps resulting from additional staff requirements while vital safety works are completed. These factors contributed significantly to increased total expenditure, which reached £22.8 million this year (2022: £19.9 million).

Consequently, our net expenditure from operating activities for the year totals £645,000 (2022: £1.0 million net income). Nonetheless, this outturn represents a £2.6 million outperformance of our original budget for the year, owing largely to the strong fundraising results referenced above.

Following the inclusion of net investment losses of £1.7 million (2022: £68,000) the group's net expenditure for the year was £2.4 million (2022: £1.0 million net income). Despite this deficit position, the net funds of the group increased to £41.3 million (2022: £30.6 million) owing to pension remeasurement gains. These gains totalled £13.1 million (2022: £6.9 million) and are considered in greater detail in note 14 to the accounts.

Further commentary on the financial results for the year is provided below.

Income

Without the humbling generosity of the public, we simply could not deliver the level of children's palliative care that is so urgently needed all over Scotland. Fundraising continues to be our main source of income and behind each and every pound raised for CHAS, is a plethora of activities spanning individual giving, community fundraising, corporate partnerships, high-profile events, grant income from charitable trusts, philanthropic donations and many more.

We are forever grateful for the many and inspiring ways that you show love to the children and families we support through donations of money, volunteering time and advocacy. You have enabled us to raise an incredible £6.7 million in donations (2022: £4.8 million) and provided vital skills to support all areas of our activities. Thank you!

All our main fundraising channels have contributed to the 39% increase in donations this year. Across our partnerships and philanthropy fundraising activities, there were significant increases in donations from corporates, trusts and major donors. This was further boosted by income raised following the return of a full programme of high-profile events. Meanwhile our Community Fundraising team were delighted to see a sharp rise in income from challenge events, small and medium sized businesses, and local community and volunteering groups. There were considerable increases in Direct Debit donations from Individual Giving and our partnership with the Local Hospice Lottery continues to grow, supplementing our fundraising income.

Legacies are an essential part of our voluntary income, and we are so appreciative and humbled by all those who generously thought of CHAS when writing their Will. Although this income is inherently unpredictable from year to year, it plays an essential role in helping us to extend our reach; providing more of our vital hospice services to more children and young people, and more quickly in situations where time is precious. We are fortunate to have had another strong year for legacy income, which increased to £3.8 million (2022: £2.9 million) and we simply cannot thank enough, each and every person who left behind a gift that has such a positive impact on the families that we care for.

We are delighted to report a further increase in income generated by our shops and ancillary retail operations. These comprise our four charity shops across Kinross and Dunfermline, complemented by additional income raised through our clothes collection partnership with Clothes Aid, and our successful volunteer-led eBay store, amongst many other activities. While total income generated by CHAS Trading Limited has decreased, this is entirely attributable to COVID-19 related other income, namely an insurance claim and emergency Local Authority support, received last year. As our shops continue their robust post-pandemic recovery, retail turnover increased to £526,000 (2022: £484,000).

Our Context and Operating Environment

This year saw the first full year of trading at Ardoch Loch Lomond, our beautiful exclusive-hire facility in West Dunbartonshire. Trading conditions have been challenging over 2022/23. Although the granting of planning consent last summer to host weddings and other large family occasions will be vital in driving future business growth, this came too late to have an appreciable impact on bookings this year. The loss of a significant customer has also hampered progress. After the deduction of intercompany sales, the estate generated £319,000 (2022: £283,000). This represents a decrease of 15.2% when the nine-month trading period in the prior year is factored in. Nonetheless we look forward with confidence as the business continues to develop a strong base from which to drive future profitability. In the years ahead, these profits will provide additional income to CHAS to help fund our charitable activities.

We continue to invest funds not immediately required for operations through the professional services of our external investment managers. As well as protecting the capital value of surplus funds from inflationary erosion, this activity creates a vital additional income stream to fund our activities. During the year, income received from share dividends and interest from corporate bonds and gilts increased to £602,000 (2022: £550,000). Rising interest rates applied by central banks over recent times to dampen inflation, have benefitted us in terms of increased interest receivable which was £55,000 this year (2022: £11,000).

Given the significant cost of providing specialist care to children, young people and their families, we warmly welcome the increased governmental funding we have received this year. Total statutory funding has increased to £10.2 million (2022: £7.0 million). Our annual core funding received from the Scottish Government increased this year to £7 million (2022: £6 million). We also received £1.2 million in vital pension shortfall funding (2022: £187,000) which enables us to remain competitive in employment markets. In addition, one-off top-up funding provided a further £1.1 million in crucial support at a time when inflation threatens to erode services, and we continue to receive support from the Scottish Government's Children, Young People and Families Early Intervention Fund towards the cost of certain management posts. This funding increased to £143,000 (2022: £136,000) in the year.

The funding we receive from each of the 32 Scottish Local Authorities continues to be greatly valued; especially so in these times of increasingly challenged public budgets. This stream of statutory funding reflects the social care work that CHAS performs the length and breadth of Scotland. Our current agreement with COSLA allows for the index-linking of this funding, which increased to £720,000 this year (2022: £682,000).

Expenditure

The pandemic accelerated and sharpened the focus on ways in which we can reach families beyond the provision of conventional in-hospice care. During the year we have worked hard to ensure that, alongside the gradual return of in-hospice care to pre-pandemic levels, other service developments initially borne out of necessity remain integral parts of what we do. We continued to balance greater provision of in-hospice care while maintaining an increased level of outreach services.

Total expenditure increased to £22.8 million this year (2022: £19.9 million). Approximately £2.3 million of this £2.9 million increase relates to charitable activities; that is, the provision and support of frontline services. A significant part of the remaining increase relates to further investments in growing our supporter base through face-to-face recruitment, with a view to securing future increases in fundraising income.

Expenditure on charitable activities totalled £17.5 million this year (2022: £15.2 million) and continues to represent the majority of our cost base, accounting for 76.6% (2022: 76.4%). The provision of excellent, person-centred, palliative care across the nation requires a substantial workforce of skilled and dedicated staff and, consequently, staffing costs are the key driver of our charitable expenditure. We made further investments in our medical team and other care teams this year through increased staffing. Total staff costs were £16.6 million (2022: £15.5 million), representing 73% of total expenditure (2022: 78%).

We operate in a very competitive employment marketplace dominated by the NHS, in which we all seek to attract and retain high calibre clinical staff from a limited pool. We are therefore very mindful of how our clinical pay rates compare with other large care providers operating in Scotland. This issue has become more pressing owing to the inflationary environment in which we find ourselves and has contributed significantly to our increased staffing expenditure this year, principally through the 2% pay award and the provision of retention payments for eligible staff.



Our Context and Operating Environment

Moreover, our pay award decisions are increasingly informed not only by the imperative to remain competitive in the current economic environment, but also by pension considerations. While we can offer membership of the NHS (Scotland) Pension Scheme to qualifying staff, the fund's eligibility rules mean that many clinical colleagues must instead maintain their pension arrangements through the Lothian Pension Fund. This is significant because the latter is a funded scheme and, as such, employers like CHAS can be subject to potentially significant strain on fund costs where pay awards are greater than the fund's actuarial assumptions which are usually focussed on the wider public sector.

Total pension costs have reduced marginally this year to £4.2 million (2022: £4.3 million) despite increasing CHAS pension membership. Employer pension costs comprise £3.5 million in respect of the Lothian Pension Fund (2022: £3.6 million) and £708,000 to the NHS (Scotland) Pension Scheme (2022: £676,000). The reduction in contributions to the former is due to the application of an increased discount rate in last year's valuation, as undertaken by independent actuaries. Further details of our pension assets and obligations and costs recognised for the year are presented in note 14 to the accounts.

Costs of generating voluntary income increased to £4.4 million (2022: £3.8 million). The increase not only reflects the aforementioned investment in donor acquisition, but also the welcome return of a full programme of our high-profile events, including our ever-popular Ladies Lunches and Winter Wonderland Ball. The cost of goods sold, representing costs from the operation of our charity shops and Ardoch Loch Lomond, also increased and were £855,000 (2022: £801,000). This, however, is principally attributable to having a full year's trading at Ardoch Loch Lomond this year, after we took on operations at the estate in July 2021.

Investment management costs are charged quarterly by Adam & Company and abrdn and calculated as a percentage of our portfolios' values. Although market conditions have yielded unfavourable results this year, there has nonetheless been a modest increase in such costs, which were £93,000 (2022: £83,000) following our decision to invest an additional £5 million in our portfolios in late 2021.

Support costs are allocated across our cost of charitable activities and cost of raising funds (excluding investment management costs). These costs stem from the operation of our central administrative functions that are integral to the effective operation of our charitable and fundraising activities, including Human Resources, Volunteering, Learning, Communications, Information Services, Finance, Facilities and Executive Support. Total costs incurred in these areas were £4.6 million (2022: £4.2 million) and these were allocated on the basis of staff numbers supported by these functions. The increase related in large part to pay awards and retention payments made to staff in these key support areas and also reflects increased investment in our technological infrastructure and security and external communications to support ongoing engagement with key stakeholders, including families, supporters, statutory funders and other healthcare professionals.

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

Reserves Policy and Unrestricted Funds

Despite the deficit incurred this year, as set out in the Consolidated Statement of Financial Activities on page 30, the net funds of the group have increased to £41.3 million (2022: £30.6 million). This is a consequence of the significant positive movements in our defined benefit pension scheme deficit, as considered in greater detail in note 14 to the accounts. CHAS continues to operate at a deficit as we strive to maximise the reach of our services and secure financial sustainability in the medium term. Indeed, following the designation of funds for future strategic requirements and operating deficits anticipated over the next three years, the general reserve has reduced to £14.3 million (2022: £23.2 million).

In the delivery of our new strategic plan, which launches next year, we will continue to carefully use our reserves to fund the provision of services and enhancement of our hospice properties. We will continue the ambition of previous plans to deliver world-class children's palliative care to all those in Scotland who need and want it. This specialised and vital care, while precious to those who we support, is also costly. We therefore anticipate that our expenditure will remain more than our income for at least the next three years. Capital works associated with the operation of our complex hospice buildings will also result in further depletion of reserves in the years ahead.

Notwithstanding our ambition to expand the reach of our services and further modernise our hospice environment, the Directors continue to hold the view that it is necessary for CHAS to maintain the policy of holding free reserves (total unrestricted funds excluding the fixed asset fund) equivalent to no less than 12 months operating expenditure. This will increase our ability to maintain service provision in the event of an unanticipated external financial crisis such as the recent pandemic.

Our Context and Operating Environment

The Directors regularly monitor reserves held to ensure they are sufficient to maintain current services and fund future expansion. They are also cognisant of the significant risk certain Balance Sheet items can pose to reserves. In particular, the Directors are mindful of the crystallisation risk surrounding pension obligations (notwithstanding the current valuation) and of the omnipresent risk of investment losses.

In addition to the general reserve referenced above, total unrestricted funds held on 31 March 2023 comprised: the fixed asset fund, principally comprising our owned hospice properties and Ardoch Loch Lomond, totalling £11.6 million (2022: £12.1 million); £8.9 million designated for future operational investment (2022: £5.8 million), including planned operating deficits and building operation costs; and £5 million designated for future strategic investments across our property portfolio.

Restricted reserves as at 31 March 2023 were £1.5 million (2022: £397,000) and reflect monies received for uses specified by donors or other funders, where the associated expenditure remains pending.

Investments and Investment Policy

CHAS holds portfolios of shares, debt securities and funds under the discretionary management of two professional firms, who work towards a total return objective, balanced between capital growth and income.

Our investment policy and instructions to our investment managers were reviewed and updated during the year. The most significant changes stemming from this review were the removal of limits on overseas investments and a reduction in the proportion of the portfolios that we require the investment managers to hold as cash. Both changes were made with a view to remove impediments to overall performance.

Any investment in derivatives, other complex financial instruments, or securities that are not readily realisable, continues to be prohibited, as are direct holdings in organisations implicated in the exploitation of children or the production of tobacco. These restrictions are enforced by the investment managers' in-house screening processes for acquisitions and by our careful ongoing monitoring. Should any potential breaches of our ethical criteria subsequently come to light, the investments involved will be sold as soon as practicable.

Investment performance has been poor during the year as markets were subdued by enduring uncertainty related to high inflation, sluggish economic growth and ongoing geopolitical events. Markets generally reached their lowest point towards the end of summer 2022 and although they have rebounded somewhat since, this recovery remains fragile and jittery.

Total losses on our investments this year are £1.7 million (2022: £68,000), which represents 77% of their value on 1 April 2022. These losses comprise £551,000 of realised losses following sales of holdings by our investment managers during the year, and a further £1.2 million representing the aggregate market price movement in investments that we held throughout the year.

Despite these losses we maintain a long-term view and remain confident of the effectiveness of investing to generate income and protect our surplus funds against capital erosion. As at 31 March 2023, our investments were valued at £21.8 million (2022: £22.3 million). This £444,000 decrease is the net effect of the £1.7 million losses referenced above, less £1.3 million previously held as cash in our portfolios, which has since been used by our investment managers to purchase shares and other securities.

Although all investment losses are disappointing, both investment managers exceeded the benchmark returns against which they are evaluated. Longer term performance remains satisfactory and continues to be carefully monitored.

Our investment portfolios are under the discretionary management of:

- Adam & Company Investment Management Limited, 40 Princes Street, Edinburgh EH2 2BY
- abrdn, 1 George Street, Edinburgh EH2 2LL

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



Our Context and Operating Environment

Energy and Carbon Reporting

While our activities provide considerable societal benefits, not least to the children and families that we serve, the Directors are nonetheless mindful of the need to minimise the environmental impact from our operations as far as practicable. The below table summarises our carbon footprint for the year ended 31 March 2023, together with prior year comparatives:

	Consumption 2023	Conversion Factor (per kg of CO ₂ emissions) 2023	CO ₂ Emissions (tonnes) 2023	Consumption 2022	Conversion Factor (per kg of CO ₂ emissions) 2022	CO ₂ Emissions (tonnes) 2022
Utilities						
Gas	1,327,348 kWh	0.183	242.90	1,359,196 kWh	0.183	248.95
Electricity	673,475 kWh	0.193	129.98	570,534 kWh	0.212	121.14
Water	6,630 m ³	0.149	0.99	5,538 m ³	0.149	0.83
Waste Water Treatment	5,771 m ³	0.272	1.57	5,057 m ³	0.272	1.38
Biomass (wood pellets)	52.17 tonnes	50.555	2.64	45.12 tonnes	57.153	2.58
Other Fuels	10,404 litres	1.855	19.30	7,901 litres	1.980	15.64
Transport						
Owned Fleet	129,595 miles	1.455	188.56	85,505 miles	1.327	113.47
Grey Fleet	302,182 miles	0.275	83.10	187,113 miles	0.276	51.64
Total Carbon Footprint			669.04			555.63

Following two years in which COVID-19 suppressed our carbon emissions, most notably from travel, this year sees our overall carbon footprint returning to a level more comparable with that seen before the pandemic. Indeed, emissions from transport are the single largest contributor to our increased CO₂ emissions, representing 94% of the overall increase of 113 tonnes in 2022/23.

Our utilities consumption continues to have the greatest overall impact on our carbon footprint and accounted for 397.38 tonnes of CO₂ emissions during the year (2022: 390.52 tonnes). Gas, electricity and water usage at our hospices makes up over 80% of this total and reflects the necessity to operate energy-hungry care equipment and maintain a comfortable temperature in the hospices for the benefit of the children and families that use them. Although the use of the hydrotherapy pool at Robin House results in significant gas and water consumption, it has great therapeutic benefit to the children and young people who access it.

Carbon emissions from our transport activities have increased to 271.66 tonnes (2022: 165.11 tonnes). During the year, the mileage undertaken by our fleet of minibuses, vans and cars totalled 129,595 (2022: 85,505). Meanwhile our grey fleet mileage for the year, which measures where staff use their own vehicles for CHAS business, rose to 302,182 (2022: 187,113). As we gradually return to some pre-pandemic ways of working, we have seen an increase in the in-person activity that is so integral to the way in which we deliver care, raise funds, and interact with colleagues and other organisations. Nonetheless, total business mileage remains below 2020 levels, with several eco-friendly measures, such as online meetings, remaining in place.

Our staff-led Environmental and Sustainability Steering Group continues work on identifying practicable mitigations to our environmental impact, such as car-sharing and a cycle-to-work scheme.

Our Context and Operating Environment

Outlook

Looking forward to a new phase of growth, CHAS remains laser focused on providing outstanding experiences of care for children and families throughout Scotland. After weathering the challenging times of the pandemic, we have emerged revitalised and re-energised, committed to providing unwavering support for families at every step of this hardest of journeys.

Strategic outlook

We continue to evolve our services to meet the needs of the children and families in our care, particularly in growing the care that we provide through our outreach services so we can be there for families wherever, whenever, and however they need us. While we have encountered challenges this year, including pandemic recovery and recruitment, our staff remain resilient and flexible in order to provide care in the ways that we need to. With the launch of a new People Strategy in June 2023, our focus will remain on attracting and retaining the best talent in Scotland to ensure we continue to deliver outstanding experiences of care for children and their families.

We marked the end of our 30 year celebrations and the end of our strategic plan (extended by a further year) which focused on the themes of care, people, growth and partnership. We will be launching a new strategic plan in 2024.

We have refined our organisational purpose and core values, which will underpin key strategic areas of focus, namely our Fundraising Strategy, the Joy of Giving; our new People Strategy; and providing a focus and direction for the CHAS Plan 2024-2028. This work involved extensive consultation with families as well as our people and has provided us with a clear direction in which to focus our efforts for growth, and in developing a clear pathway to support children with life-shortening conditions and their families.

Based on the insight gained through the consultation with families during our purpose work, our new strategic plan will focus on how we, and our network of partners, support families through the journey of five critical junctures as they care for a child with a life-shortening condition: from diagnosis; to referral; helping families live well in the time they have together; helping children die well; through to bereavement.

Operational outlook

As we look forward to continued growth, our focus has been on making sure we continue to support as many families across Scotland as possible, whether that is through welcoming them in our hospices or supporting them at home, in hospital or in the community. We have been able to sustain hospice bed usage, maintain high numbers of CHAS at Home visits across the country and expand and increase our Home Support Volunteer team; helping families where they need it most. This work is made possible thanks to strong partnership working with NHS and Local Authority colleagues.

To support the evolution of our services in response to and since the pandemic, we launched our Care Services Plan. This strategy provides a guide as to how we continue to develop our services for families and acts as a bridge to the next CHAS Plan, helping clinical and non-clinical staff have a better understanding of our strategic priorities.

We have focused on our influencing and advocacy work during the cost-of-living crisis, and this will remain a key focus for us. We have a role in arguing for systemic change to support families. We have set up consultations with families to discuss ways to effectively manage energy bills. Some families are struggling to keep their house warm and pay for the specialist equipment required to care for a child with a life-shortening condition.

Fundraising continues to perform extremely well despite the challenging economic environment in which we operate, and we launched our new Joy of Giving Strategy 2023-2028 which outlines three key enablers for fundraising success: we will inspire support; we will deliver outstanding supporter experiences; and people and processes will support our success.

Financial outlook

As we emerge from the pandemic, we can now look forward with confidence and excitement to the service developments on which we are now able to renew our focus, should funding be available. The steadfast support of our donors, volunteers and statutory funders have sustained CHAS through this most challenging of times.

We look forward to continuing our mission to reach every child, young person and family that needs our support across the length and breadth of Scotland. This ambition will be fuelled by investment in our fundraising activities, making the case for further increases in statutory funding and through the ongoing carefully planned use of reserves.

Significant challenges continue to lie ahead, including the cost-of-living crisis and the upward pressure it creates on salaries.

Our Context and Operating Environment

We are acutely aware of the competitive employment markets for skilled clinical staff and the imperative to ensure our pay rates keep pace with other care providers. Careful focus and creativity are required to identify ways in which we can deliver services even more efficiently and effectively without losing the essence of what makes CHAS so special to children and families. To support the delivery of this, we were delighted to welcome Jane Smith to our Senior Leadership Team in January 2023 in the new role of Chief Operating Officer.

Sustained growth in fundraising income is essential fuel for our growth ambitions and work continues towards the elimination of deficit budgets in the medium term. We clearly see investments made over recent years, both in our fundraising activities and the growth of our supporter base through donor acquisition, now having a significant impact on income. Business development at Ardoch Loch Lomond remains a priority as we work towards future profitability that will contribute to meeting charitable expenditure. The Directors warmly welcome the provision of increased core funding from the Scottish Government but will make the case for this to be provided at a level which is sustainable and reflects the national role that CHAS plays in the health and social care system.

In addition to planned service development, the Directors are also mindful of the need to invest in our hospices, with Robin House celebrating its 20th anniversary in 2025 and Rachel House celebrating 30 years of hospice care the following year. Renovation works are needed at both hospices over the next two years and the completion of backlog maintenance built up during the pandemic will further increase operating and capital expenditure on our property portfolio in the years immediately ahead.

Principal Risks and Uncertainties

The Board is ultimately responsible for the management of risk at CHAS. The principal risks and uncertainties identified for 2022/23 set out below are regularly assessed to ensure appropriate monitoring and mitigation measures remain in place and are subject to the review of the Board and Corporate Governance and Risk Committee at each of their respective meetings. The Finance and Audit Committee, and Clinical and Care Governance Committee, also consider and discuss the risks relevant to their respective remits.

These arrangements are supported by an inclusive approach to risk management throughout the organisation. This encourages the Board, Senior Leadership Team and management to identify risks, consider escalation and review mitigations and is further supported by a robust control environment across all areas of our operations.

Risk	Impact	Response
Failure to deliver safe, effective and high-quality care	May lead to harm of a child, reduced confidence in our services, reputational damage, potential litigation, and a consequential loss of income	<ul style="list-style-type: none"> • Robust clinical and care governance structure in place from point of care delivery to CHAS Board • Staffing ratios include high numbers of registered nurses and other healthcare professionals • Strong infection prevention and control policies and procedures • Clear health and safety policies in place, such as fire and legionella prevention • Services inspected by Healthcare Improvement Scotland (HIS) or the Care Inspectorate to a determined frequency • Medical and nursing professional registration appraisal and revalidation processes in place • Adverse events reporting system in place
Failure to sustain a culture of positive employee and volunteer wellbeing and engagement	May lead to reduced morale, staff burnout, increased staff turnover and recruitment difficulties	<ul style="list-style-type: none"> • Visible and compassionate leadership where discussion of organisational vision, celebration of success and a strong employee voice is encouraged • Regular one-to-one and team meetings and annual staff review and development process • Volunteer Strategy supports personal growth of volunteers • Wellbeing Strategy and employee resources in place • Flexible approaches to support work-life balance to strengthen our employment brand and improve recruitment and retention • Focus groups and annual surveys provides insight into staff and volunteer experiences with CHAS

Our Context and Operating Environment

Risk	Impact	Response
Failure to manage operating and capital budgets effectively taking into account external factors, whilst using our resources effectively and efficiently	May impede our ability to meet CHAS Plan objectives	<ul style="list-style-type: none"> • Long-term financial 'glide path' in place to better balance income and expenditure and eliminate deficits over the medium term • Robust annual budgeting process conducted in the six months prior to each financial year • Reserves maintained at a minimum of 12 months operating costs • Strong relationships maintained with key funders • Revised Fundraising Strategy in place to support operations in a post-pandemic landscape • Commitment from leadership to drive operational efficiencies where possible • Regular review of financial performance at management, Senior Leadership Team and Board level • Effective enforcement of financial delegation through purchase order system • Comprehensive suite of financial controls including scheme of financial delegation, cashflow and investment management, and external audit
Failure to comply with relevant statutory and sector regulations and standards, or maintain strong IT and information governance framework	May lead to business disruption, significant financial penalties, reputational damage, loss of income, and harm to children, families, volunteers or staff	<ul style="list-style-type: none"> • Health and Safety Steering Group in place with detailed advice available from external consultants • Investment plans developed for addressing capital expenditure backlog, including forthcoming lifecycle expiry needs for hospices and other sites • Mandatory re-inductions, fire and first aid awareness training for office staff returning after pandemic • Financial governance measures including monthly account reconciliations, and insurance cover and statutory reporting obligations managed centrally • Timely year-end process with annual audit completed each summer • Information Governance policy and infrastructure in place, including independent Virtual Data Protection Officer, security audits and regular validation of organisational resilience to cyber-attack • Improved training and staff awareness of cyber threats
Failure to inspire the public with our cause, or ineffective management of relationships with key partners	May damage CHAS reputation with stakeholders and reduce voluntary or trading income and statutory funding	<ul style="list-style-type: none"> • Skilled marketing and communication staff in place • Stewardship programme in place for all supporter groups • Robust process for identifying emerging reputational risks with crisis communication framework to support proactive messaging • Annual Impact Report focused on demonstrating organisational effectiveness and building trust and learnings from surveys used to enhance messages and demonstration of impact • Comprehensive Marketing and Communications Strategy in place to build awareness and propensity to support CHAS in terms of time, money and voice
Failure to effectively plan, respond and remobilise our care in response to changes in the external environment and the needs of families	May impede innovation and the delivery of our strategic objectives set out in the CHAS Plan	<ul style="list-style-type: none"> • Remobilisation and Transformation team in place, forming a programme board structure to remobilise our care as we exit the pandemic, and to develop future care delivery • Robust project and programme management processes in place, with weekly oversight meetings to monitor progress • Contingency plan in place to manage bed openings and to maintain level of care in the community • Regular contact with Antimicrobial Resistance and Healthcare Associated Infection Scotland, with updated risk assessments, guidance and information regularly communicated with staff • Ongoing engagement with children and families and responding to their feedback

Our Context and Operating Environment

Risk	Impact	Response
Failure to be engaged in addressing key climate change issues	May lead to reputational damage, loss of income and a reduction in attractiveness to potential supporters, staff and volunteers	<ul style="list-style-type: none"> Monitoring and measurement of CHAS's carbon footprint Recycling facilities available at every site Responsible landowner of approximately 140 acres of land in the Loch Lomond and Trossachs National Park, and mature grounds and woodland at Kinross Installation of electric vehicle charging points at Ardoch Loch Lomond



Statement of Responsibilities of the Directors of Children's Hospices Across Scotland in Respect of the Annual Report and Accounts

The trustees (who are also Directors of Children's Hospices Across 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 preparation 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 21 August 2023.



By order of the Board
Peta M Hay, Chair

Independent Auditor's Report to the Trustees and Members of Children's Hospices Across Scotland

Opinion

We have audited the financial statements of Children's Hospices Across Scotland (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2023 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 significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the affairs of the group and the parent charitable company as at 31 March 2023 and of the group'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 Companies Act 2006, 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

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

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the 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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Independent Auditor's Report to the Trustees and Members of Children's Hospices Across Scotland

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.

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 their 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 in relation to which the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) require us to report to you if, in our opinion:

- proper and adequate accounting records have not been kept by the parent charitable company, 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 Directors' Responsibilities set out on page 26, 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 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 under the Companies Act 2006 and report in accordance with regulations made under those Acts.

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

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

Identifying and assessing risks related to irregularities

We assessed the susceptibility of the group and parent charitable company's financial statements to material misstatement and how fraud might occur, including through discussions with the trustees, discussions within our audit team planning meeting, updating our record of internal controls and ensuring these controls operated as intended. We evaluated possible incentives and opportunities for fraudulent manipulation of the financial statements. We identified laws and regulations that are of significance in the context of the group and parent charitable company by discussions with trustees and updating our understanding of the sectors in which the group and parent charitable company operate.

Independent Auditor's Report to the Trustees and Members of Children's Hospices Across Scotland

Laws and regulations of direct significance in the context of the group and parent charitable company include The Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and guidance issued by the Office of the Scottish Charity Regulator.

Audit response to risks identified

We considered the extent of compliance with these laws and regulations as part of our audit procedures on the related financial statement items including a review of financial statement disclosures. We reviewed the parent charitable company's records of breaches of laws and regulations, minutes of meetings and correspondence with relevant authorities to identify potential material misstatements arising. We discussed the parent charitable company's policies and procedures for compliance with laws and regulations with members of management responsible for compliance.

During the planning meeting with the audit team, the engagement partner drew attention to the key areas which might involve non-compliance with laws and regulations or fraud. We enquired of management whether they were aware of any instances of non-compliance with laws and regulations or knowledge of any actual, suspected or alleged fraud. We addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and identifying any significant transactions that were unusual or outside the normal course of business. We assessed whether judgements made in making accounting estimates gave rise to a possible indication of management bias. At the completion stage of the audit, the engagement partner's review included ensuring that the team had approached their work with appropriate professional scepticism and thus the capacity to identify non-compliance with laws and regulations and fraud.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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

Use of our report

This report is made solely to the parent charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the parent 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 parent 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 parent charitable company, the parent 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

Chartered Accountants
Statutory Auditors
Edinburgh Quay, 133 Fountainbridge, Edinburgh EH3 9BA
29 August 2023

Saffery Champness 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 2023

	Note	Unrestricted Funds £000	Restricted Funds £000	Totals 2023 £000	Totals 2022 £000
Income:					
<i>Donations and legacies:</i>					
Donations		5,942	758	6,700	4,807
Legacies		3,229	572	3,801	2,920
<i>Trading activities:</i>					
Shop sales and other trading		845	-	845	767
<i>Income from investments:</i>					
Investment income		602	-	602	550
Interest receivable		55	-	55	11
<i>Income from charitable activities:</i>					
Statutory funding and grant income	3	-	10,184	10,184	7,005
Other income	4	3	-	3	4,856
Total income		10,676	11,514	22,190	20,916
Expenditure:					
<i>Cost of raising funds:</i>					
Cost of generating voluntary income		(4,387)	-	(4,387)	(3,800)
Cost of goods sold and other trading costs		(855)	-	(855)	(801)
Investment management costs		(93)	-	(93)	(83)
<i>Cost of charitable activities</i>		(7,102)	(10,398)	(17,500)	(15,184)
Total expenditure	5	(12,437)	(10,398)	(22,835)	(19,868)
Net (expenditure)/income on operating activities	7	(1,761)	1,116	(645)	1,048
Net (losses)/gains on investments - realised		(551)	-	(551)	(451)
- unrealised	9	(1,172)	-	(1,172)	383
Net (expenditure)/income		(3,484)	1,116	(2,368)	980
Other recognised gains/(losses)					
Remeasurement gains on defined benefit pension scheme	14	13,059	-	13,059	6,868
Net movement in funds		9,575	1,116	10,691	7,848
Reconciliation of funds					
Funds brought forward	15	30,226	397	30,623	22,775
Transfers during year	15	-	-	-	-
Funds carried forward	15	39,801	1,513	41,314	30,623

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 34 to 58 form part of these accounts.

Company Statement of Financial Activities

(incorporating an income and expenditure account)

for the year ended 31 March 2023

	Note	Unrestricted Funds £000	Restricted Funds £000	Totals 2023 £000	Totals 2022 £000
Income:					
<i>Donations and legacies:</i>					
Donations		5,942	758	6,700	4,807
Legacies		3,229	572	3,801	2,920
<i>Income from investments:</i>					
Investment income		660	-	660	550
Interest receivable		55	-	55	11
<i>Income from charitable activities:</i>					
Statutory funding and grant income	3	-	10,184	10,184	7,005
Other income	4	116	-	116	4,788
Total income		10,002	11,514	21,516	20,081
Expenditure:					
<i>Cost of raising funds:</i>					
Cost of generating voluntary income		(4,387)	-	(4,387)	(3,800)
Investment management costs		(93)	-	(93)	(83)
<i>Cost of charitable activities</i>		(7,333)	(10,398)	(17,731)	(14,975)
Total expenditure	5	(11,813)	(10,398)	(22,211)	(18,858)
Net (expenditure)/income on operating activities	7	(1,811)	1,116	(695)	1,223
Net (losses)/gains on investments - realised		(551)	-	(551)	(451)
- unrealised	9	(1,172)	-	(1,172)	383
Net (expenditure)/income		(3,534)	1,116	(2,418)	1,155
Other recognised gains/(losses)					
Remeasurement gains on defined benefit pension scheme	14	13,059	-	13,059	6,868
Net movement in funds		9,525	1,116	10,641	8,023
Reconciliation of funds					
Funds brought forward	15	30,676	397	31,073	23,050
Transfers during year	15	-	-	-	-
Funds carried forward	15	40,201	1,513	41,714	31,073

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 34 to 58 form part of these accounts.

Balance Sheets as at 31 March 2023

		Group		Company	
	Note	2023 £000	2022 £000	2023 £000	2022 £000
Fixed assets					
Tangible assets	8	11,646	12,114	11,686	12,132
Investments	9	21,837	22,281	21,837	22,281
		33,483	34,395	33,523	34,413
Current assets					
Stock		2	-	2	-
Debtors	11	1,309	2,860	1,595	2,985
Cash at bank and in hand		8,966	6,999	8,929	6,960
		10,277	9,859	10,526	9,945
Creditors					
Amounts falling due within one year	12	(2,098)	(2,503)	(1,987)	(2,204)
Net current assets		8,179	7,356	8,539	7,741
Provisions for liabilities	13	(348)	(332)	(348)	(285)
Net assets excluding pension deficit		41,314	41,419	41,714	41,869
Defined benefit pension scheme deficit	14	-	(10,796)	-	(10,796)
Net assets including pension deficit		41,314	30,623	41,714	31,073
The funds of the charity:					
Restricted income funds	15	1,513	397	1,513	397
Unrestricted income funds					
Fixed asset fund		11,646	12,114	11,686	12,132
Operational investment fund		8,884	5,751	8,884	5,751
Strategic investment fund		5,000	-	5,000	-
General reserves		14,271	23,157	14,631	23,589
Unrestricted income funds excluding pension reserve		39,801	41,022	40,201	41,472
Pension reserve	14	-	(10,796)	-	(10,796)
Total unrestricted funds	15	39,801	30,226	40,201	30,676
Total funds	15	41,314	30,623	41,714	31,073

Approved by the Directors on 21 August 2023



Peta M Hay, Chair



Stephen Reid, Director

The notes on pages 34 to 58 form part of these accounts.

Cash Flow Statement
for the year ended 31 March 2023

	Group		Company	
	2023	2022	2023	2022
	£000	£000	£000	£000
Net cash inflow from operating activities (i)	2,742	2,411	2,582	2,418
Returns on investments and servicing of finance				
Investment income	602	550	660	550
Interest received	11	40	11	40
Net cash inflow from returns on investments and servicing of finance	613	590	671	590
Capital expenditure and financial investment				
Payments to acquire tangible fixed assets	(134)	(118)	(133)	(109)
Proceeds of disposal of fixed assets	25	442	128	442
Investments purchased	(5,273)	(7,578)	(5,273)	(7,578)
Investments disposed of	3,994	2,528	3,994	2,528
Net cash outflow from investing activities	(1,388)	(4,726)	(1,284)	(4,717)
Increase/(decrease) in cash and cash equivalents (ii)	1,967	(1,725)	1,969	(1,709)

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

	Group		Company	
	2023	2022	2023	2022
	£000	£000	£000	£000
Net (expenditure)/income	(2,368)	980	(2,418)	1,155
Depreciation charge	592	667	584	662
Pension deficit movement	(10,796)	(4,268)	(10,796)	(4,268)
Remeasurement gains on defined benefit pension scheme	13,059	6,868	13,059	6,868
Gain on disposal of tangible fixed assets	(15)	(76)	(24)	(76)
Net losses on investments	1,723	68	1,723	68
Interest receivable and investment income	(657)	(561)	(715)	(561)
(Increase)/decrease in stock	(2)	2	(2)	-
Decrease in debtors	1,595	1,395	1,434	1,300
Decrease in creditors	(389)	(2,664)	(154)	(2,730)
Assets transferred from CHAS Trading Limited	-	-	(109)	-
Net cash inflow from operating activities	2,742	2,411	2,582	2,418

(ii) Analysis of net funds

	Group		Company	
	2023	2022	2023	2022
	£000	£000	£000	£000
Cash balances at beginning of year	6,999	8,724	6,960	8,669
Increase/(decrease) in the year	1,967	(1,725)	1,969	(1,709)
Cash balances at end of year	8,966	6,999	8,929	6,960

The notes on pages 34 to 58 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 and Balance Sheet consolidate the accounts of Children's Hospices Across Scotland (the Charity) and its subsidiary undertakings. The results of the subsidiary undertakings are consolidated on a line by line basis.

The Charity has availed itself of the provisions of the 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 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 SC019724. 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 of the 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 of the 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 for 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 15.

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 may be made between funds from time to time.

Notes to the Accounts

1 Accounting policies (continued)

(e) Income

All income is included in the Statement of Financial Activities when the Charity is legally entitled to that income, receipt 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 CHAS Trading Limited are paid to the Charity by deed of covenant.

(f) Gifts in kind

Assets donated for the Charity's use 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 5 gives further information on what support costs include and the basis of apportionment to cost categories.

(h) Value Added Tax

The Charity and subsidiary companies are 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

1 Accounting policies (continued)

(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 six 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 companies.

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.

NHS Pension Scheme (Scotland)

The NHS Pension 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.

Ardoch Loch Lomond Limited pensions

Ardoch Loch Lomond Limited provides access to a defined contribution pension scheme or a personal pension plan for eligible employees.

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/surplus

The valuation of the defined benefit pension scheme deficit/surplus is based on several major assumptions as set out in note 14. 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/surplus 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.

Notes to the Accounts

2 Critical judgements and estimates (continued)

The valuation of the pension deficit/surplus 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.

(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 2023 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 (e.g. 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 15, funds have been ring fenced in the strategic and operational investment funds 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 held in the operational investment fund are intended to reflect expected funding deficits over the coming years. In addition to this, our property estate must continue to meet operational requirements and enable the achievement of our strategic objectives. With this in mind projected capital expenditure is included alongside anticipated revenue deficits in the operational investment fund, as well as in the strategic investment fund.

Notes to the Accounts

3 Income

Group and Company	2023	2022
	£000	£000
Statutory funding and grant income		
Scottish Government:		
- Core funding	7,000	6,000
- Pension shortfall funding	1,187	187
- One-off top-up funding	1,134	-
- Infrastructure services funding	143	136
Scottish Local Authorities:		
- For operation of Rachel and Robin House	720	682
	10,184	7,005

4 Other income

Group	2023	2022
	£000	£000
Unrestricted Funds		
Ardoch Loch Lomond Rental Income	3	8
COVID-19 Emergency Funding: Scottish Government	-	4,452
Coronavirus Job Retention Scheme	-	284
CHAS Trading Business Interruption Insurance	-	67
COVID-19 Grants Received: Scottish Local Authorities	-	34
CHAS Other Income	-	8
Ardoch Loch Lomond Insurance Claim	-	3
	3	4,856

Company	2023	2022
	£000	£000
Unrestricted Funds		
Ardoch Loch Lomond Management Fee	66	33
Ardoch Loch Lomond Rental Income	50	8
COVID-19 Emergency Funding: Scottish Government	-	4,452
Coronavirus Job Retention Scheme	-	284
Other Income	-	8
Ardoch Loch Lomond Insurance Claim	-	3
	116	4,788

Notes to the Accounts

5 Expenditure

Group	Direct costs £000	Governance costs £000	Support costs £000	Total £000	2022 £000
Cost of raising funds					
Cost of generating voluntary income	3,701	61	625	4,387	3,800
Cost of goods sold and other trading costs:					
- CHAS Trading Limited	345	7	72	424	433
- Ardoch Loch Lomond Limited	369	7	55	431	368
Investment management costs	93	-	-	93	83
Cost of charitable activities	13,257	376	3,867	17,500	15,184
	17,765	451	4,619	22,835	19,868
2022	15,179	473	4,216	19,868	
Company	Direct costs £000	Governance costs £000	Support costs £000	Total £000	2022 £000
Cost of raising funds					
Cost of generating voluntary income	3,701	61	625	4,387	3,800
Investment management costs	93	-	-	93	83
Cost of charitable activities	13,488	376	3,867	17,731	14,975
	17,282	437	4,492	22,211	18,858
2022	14,311	442	4,105	18,858	

The activities underlying each of the above cost categories are:

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

Cost of goods sold and other trading costs - operating Ardoch Loch Lomond, charity shops and participating in a clothes collection partnership to generate additional income to fund charitable objectives. This also includes charges in respect of estimated dilapidation costs on operating leases on our charity shops.

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

Notes to the Accounts

5 Expenditure (continued)

Governance and support costs

Governance costs comprise expenditure incurred in strategic planning and management, as well as the costs of professional advice, audit fees and Directors' expenses. Support costs are incurred by our central administrative teams. They include the staff costs of colleagues working in these teams, and the costs of maintaining our corporate infrastructure; both of which support the delivery of the activities highlighted above.

Significant investment has been made to maintain the resilience of our support functions to ensure that they can meet the future needs of the organisation as efficiently and effectively as possible. Recent examples of this investment include the ongoing digitalisation programme across CHAS, which continues to support agile working.

Both governance and support costs have been apportioned to the various activities that comprise total expenditure, as set out in the above Group and Company tables, on the basis of staff numbers supported. Details of support costs are set out below.

Group	2023	2022
	£000	£000
Property management	879	794
Information services	816	761
Finance	629	592
Human resources	607	546
Communications, advocacy and public relations	577	465
Volunteering	214	152
Learning	183	190
Executive support	174	142
Other support costs	540	574
	4,619	4,216

Notes to the Accounts

6 Staff costs

	2023 £000	2022 £000
Salaries	11,244	10,180
Social security costs	1,189	1,017
Pensions	4,214	4,325
	16,647	15,522

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

	2023	2022
£60,001 - £70,000	6	3
£70,001 - £80,000	-	3
£80,001 - £90,000	2	1
£110,001 - £120,000	1	1
£120,001 - £130,000	2	-
£130,001 - £140,000	-	1

This includes six senior medical doctors and nursing staff remunerated on the equivalent of NHS salary scales and pension arrangements. For the above employees, £166,938 (2022: £131,240) was paid to the NHS Pension Scheme (Scotland) and Lothian Pension Fund.

By the end of the year the number of employees was 327 (2022: 306). In addition, there were 788 volunteers who were not remunerated but can claim expenses. The average number of employees was 326, of whom 103 (69 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 £812,268 (2022: £747,211).

No remuneration was paid to the Directors in respect of their services to the Charity (2022: nil). Travel expenses paid to Directors was £120 (2022: £64).

Ex gratia payments totalling £59,523 were paid to three employees during the financial year.

7 Net income on operating activities

This is stated after charging:

	2023 £000	2022 £000
External statutory auditor's remuneration:		
- Audit of these financial statements	21	17
Amounts receivable by external statutory auditor and associates in respect of:		
- Audit of financial statements of subsidiaries pursuant to legislation	10	12
Internal auditor's remuneration	3	-
Indemnity insurance for Directors	2	2
Operating lease rentals – land and buildings	158	196

Notes to the Accounts

8 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 / valuation as at 1 April 2022	16,422	232	431	1,031	923	1,098	20,137
Additions	47	-	84	4	-	8	143
Disposals	(18)	-	(110)	(4)	-	(1)	(133)
Cost / valuation as at 31 March 2023	16,451	232	405	1,031	923	1,105	20,147
Accumulated depreciation as at 1 April 2022	5,281	225	386	675	892	564	8,023
Charge for year	302	5	55	112	22	96	592
Disposals	(3)	-	(110)	-	-	(1)	(114)
Accumulated depreciation as at 31 March 2023	5,580	230	331	787	914	659	8,501
Net book value at 31 March 2023	10,871	2	74	244	9	446	11,646
Net book value at 31 March 2022	11,141	7	45	356	31	534	12,114

The purposes for which the tangible fixed assets held for charity use at 31 March 2023 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	9,670	-	71	244	-	430	10,415
Fundraising, management and administration	1,201	2	3	-	9	16	1,231
	10,871	2	74	244	9	446	11,646

Notes to the Accounts

8 Tangible fixed assets (continued)

Company	Freehold land and buildings £000	Ardoch Loch Lomond property £000	Short leasehold £000	Motor vehicles £000	Hospice equipment £000	Computer equipment £000	Furniture and fittings £000	Total £000
Cost / valuation as at 1 April 2022	15,255	1,200	185	409	1,031	879	1,091	20,050
Additions	47	-	-	84	4	-	8	143
Assets transferred from CHAS Trading Limited	-	-	47	15	-	44	3	109
Disposals	(5)	-	-	(110)	(4)	-	-	(119)
Cost / valuation as at 31 March 2023	15,297	1,200	232	398	1,031	923	1,102	20,183
Accumulated depreciation as at 1 April 2022	5,279	-	178	370	675	857	559	7,918
Charge for year	302	-	5	52	112	17	96	584
Assets transferred from CHAS Trading Limited	-	-	47	15	-	40	3	105
Disposals	-	-	-	(110)	-	-	-	(110)
Accumulated depreciation as at 31 March 2023	5,581	-	230	327	787	914	658	8,497
Net book value at 31 March 2023	9,716	1,200	2	71	244	9	444	11,686
Net book value at 31 March 2022	9,976	1,200	7	39	356	22	532	12,132

The purposes for which the tangible fixed assets held for charity use at 31 March 2023 were as follows:

Company	Freehold land and buildings £000	Ardoch Loch Lomond property £000	Short leasehold £000	Motor vehicles £000	Hospice equipment £000	Computer equipment £000	Furniture and fittings £000	Total £000
Purpose:								
Hospice services	9,716	-	-	71	244	-	430	10,461
Fundraising, management and administration	-	1,200	2	-	-	9	14	1,225
	9,716	1,200	2	71	244	9	444	11,686

Notes to the Accounts

9 Fixed asset investments

Group and Company	2023 £000	2022 £000
Quoted investments at market value at beginning of year	22,281	17,299
Additions during year	5,273	7,578
Disposals during year	(4,545)	(2,979)
	23,009	21,898
Net unrealised gains	(1,172)	383
Market value at end of year	21,837	22,281
Historical cost at end of year	19,441	18,356

	2023		2022	
Fixed asset investments are represented by:	£000	%	£000	%
UK equities	7,230	33.1	8,053	36.1
Investment and unit trusts	7,241	33.2	8,896	39.9
Overseas equities	5,448	24.9	3,201	14.4
	19,919	91.2	20,150	90.4
Fixed interest securities	1,164	5.3	1,009	4.5
UK debentures and loan stocks	754	3.5	1,122	5.1
Total managed portfolio	21,837	100.0	22,281	100.0

Notes to the Accounts

10 Subsidiary companies

(a) CHAS Trading Limited

CHAS Trading Limited, a wholly owned subsidiary, operated charity shops and participated in a clothes collection partnership. As at 31 March 2023, the activities of the Company have been transferred to the parent charitable company as part of a group reconstruction. As a consequence, the Company has ceased being a going concern, with all contractual and Balance Sheet assets and commitments transferred to the parent charitable company. A summary of its results is shown below and audited financial statements will be filed with the Registrar of Companies.

An estimated dilapidation cost provision of £294,000 (2022: £278,500) on four properties, formerly leased and occupied by CHAS Trading Limited, was transferred to the parent charitable company on assignment of the leases during the year ended 31 March 2023. These dilapidation cost provisions remained in the parent charitable company as at 31 March 2023.

	Income £000	Expenditure £000	Profit	
			2023 £000	2022 £000
Charity shops	526	(116)	410	146

Following the group reorganisation noted above, the retail operations, activities and net assets of CHAS Trading Limited at 31 March 2023, totalling £58,220, were transferred to the parent charitable company and accounted for as an acquisition. There was £172,413 due to the parent charitable company included in CHAS Trading Limited creditors in 2022. Intercompany obligations were settled prior to the transfer.

Notes to the Accounts

10 Subsidiary companies (continued)

(b) Ardoch Loch Lomond Limited

Ardoch Loch Lomond Limited, a wholly owned subsidiary, operates the commercial activities at Ardoch Loch Lomond, facilitating special events, meetings and accommodation. A summary of its results as at 31 March 2023 are shown below. The company which was incorporated on 20 January 2021, formally commenced trading from 1 July 2021. The Registered Office of Ardoch Loch Lomond Limited is the same as the Charity. Owing to the negative Balance Sheet total for Ardoch Loch Lomond Limited, the Directors of CHAS will provide a letter of support stating that CHAS will make available such funds as are required to enable Ardoch Loch Lomond Limited to meet all of its liabilities as they fall due over the next 12 months.

	Income £000	Expenditure £000	Loss 2023 £000	2022 £000
Ardoch Loch Lomond Limited	357	(545)	(188)	(111)

The net assets of Ardoch Loch Lomond Limited at 31 March 2023 were:

	£000
Fixed assets	6
Debtors	11
Cash at bank	38
Total current assets	49
Creditors: amounts falling due within one year	(410)
Net current liabilities	(361)
Net liabilities	(355)
Included in creditors is an amount of £292,761 (2022: £164,746) due to the Charity.	

11 Debtors

	Group 2023 £000	Group 2022 £000	Company 2023 £000	Company 2022 £000
Taxation refunds	19	14	19	14
VAT	163	197	158	184
Prepayments	240	256	233	236
Sundry debtors	333	2,250	338	2,244
Legacies receivable	554	143	554	143
Amounts due from CHAS Trading Limited and Ardoch Loch Lomond Limited (note 10)	-	-	293	337
Provision for doubtful debt	-	-	-	(173)
	1,309	2,860	1,595	2,985

Notes to the Accounts

12 Creditors: amounts falling due within one year

	Group 2023 £000	Group 2022 £000	Company 2023 £000	Company 2022 £000
Accruals and sundry creditors	1,609	1,056	1,505	764
VAT and NI/PAYE payable	489	447	482	440
Deferred income - Scottish Government	-	1,000	-	1,000
	2,098	2,503	1,987	2,204

13 Provisions for liabilities

	Group 2023 £000	Group 2022 £000	Company 2023 £000	Company 2022 £000
Dilapidations	348	332	348	285
	348	332	348	285

Movements on dilapidations provision:

	Group 2023 £000	Company 2023 £000
As at 1 April 2022	332	285
Additional provisions in the year	16	16
Utilisation of provision (note 12)	-	-
Transfer from CHAS Trading Limited	-	47
As at 31 March 2023	348	348

Dilapidations provision

The Group leases a number of properties whose lease terms expire between 2023 and 2028. Leases on four shop premises formerly held by CHAS Trading Limited were assigned to the Company, effective 3 August 2022 and 6 September 2022.

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 2023 and has recognised the provision above for long term lease obligations and amounts within sundry creditors (note 12) for leases expiring in the coming 12 months.

Notes to the Accounts

14 Pension schemes

Group and Company

Lothian Pension Fund (LPF) valuation

The Charity participates in the LPF, a pension scheme providing benefits based on career average pensionable pay. As at 31 March 2023, 236 staff were members of the scheme (2022: 216).

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 LPF and adopted by the Directors of Children's Hospices Across Scotland.

The independent actuaries undertake formal valuations of the LPF every three years. The most recent took place effective 31 March 2020 and we expect the results of the 2023 valuation later in the year. These triennial valuations determine each participating employer's liability to the fund and provide the basis for employer contribution rates for the forthcoming three-year period. For years that fall in between formal valuations, including this year, actuaries use approximate methods to project forward the most recent formal valuation. This includes updating key financial and demographic assumptions and reflects benefit accrual, actual pension increases and estimated cash flows in the intervening period.

Pension valuations can be subject to significant volatility year on year. This is especially true this year, owing to a significant increase in the discount rate applied to scheme liabilities. The discount rate enables future pension liabilities to be measured in today's terms and is determined by reference to high-quality corporate bond yields on 31 March 2023. These yields saw a significant increase compared with those observed at the previous year-end and consequently, there has been a significant reduction in the valuation of scheme liabilities assigned to CHAS, which are now £27.6 million (2022: £42.7 million).

In addition to this reduction in liabilities, our overall financial position in the LPF is further improved by an increase in the fair value of the scheme assets attributable to CHAS. Despite subdued investment returns this year, significant positive cash flows from employer contributions continue from our ongoing membership of the fund. These cash flows account for most of the increase in the valuation of our scheme assets, which was measured at £34.2 million at year-end (2022: £31.9 million).

Although the actuarial valuation of the Charity's position in the LPF indicates a £6.6 million surplus (2022: £10.8 million deficit), this is not recognised as an asset on the Balance Sheet. The Directors are of the view that the likelihood of realising the surplus, either in the form of a cash payment or through future reductions to the employer contribution rate, is very low.

Following the withdrawal of its access to stabilised contribution rates in 2022, the Charity was notified of a phased increase to its employer contribution rate in each year leading up to 2029/30. While anticipated improvements in the forthcoming 2023 valuation may result in the contribution rate reached by 2029/30 being lower than previously expected, it remains likely that contribution rates will nonetheless increase. Therefore, the possibility of any recovery of the actuarial surplus in the form of reduced future contributions is remote.

Owing principally to the foregoing factors, the Directors consider it imprudent to recognise any asset related to the pension surplus from the actuarial valuation as at 31 March 2023.

Further details of the valuation movements over the year are set out below.

Notes to the Accounts

14 Pension schemes (continued)

	2023 £000	2022 £000
Fair value of assets attributed to the Charity	34,208	31,923
Present value of defined benefit obligation attributed to the Charity	(27,597)	(42,719)
Net surplus/(deficit) on actuarial valuation	6,611	(10,796)
Restriction on net surplus recognised as an asset	(6,611)	-
Net deficit recognised as a liability in the Balance Sheet	-	(10,796)

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

	2023 £000	2022 £000
Opening defined benefit obligation attributed to the Charity	42,719	42,646
Current service cost	3,125	3,314
Interest cost	1,219	909
Contributions paid by members	435	404
Estimated benefits paid	(273)	(278)
Expected closing position	47,225	46,995
Remeasurement gains	(19,628)	(4,276)
	27,597	42,719

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

	2023 £000	2022 £000
Opening fair value of assets attributed to the Charity	31,923	27,582
Interest income on assets attributed to the Charity	896	577
Contributions paid by members	435	404
Contributions paid by the Charity	1,185	1,046
Estimated benefits paid	(273)	(278)
Expected closing position	34,166	29,331
Remeasurement gains	42	2,592
Closing fair value of assets attributed to the Charity	34,208	31,923

The amounts recognised in expenditure in the Statement of Financial Activities are as follows:

	2023 £000	2022 £000
Current service cost	3,125	3,314
Net interest cost	323	332
	3,448	3,646

Notes to the Accounts

14 Pension schemes (continued)

The amounts recognised in the other recognised gains and losses section of the Statement of Financial Activities are as follows:

	2023 £000	2022 £000
Changes in financial assumptions	21,853	4,137
Changes in demographic assumptions	254	243
Other experience adjustments	(2,479)	(104)
	<hr/>	<hr/>
Actuarial gains	19,628	4,276
Return on assets attributed to the Charity excluding interest income	42	2,592
	<hr/>	<hr/>
Remeasurement gains on actuarial valuation	19,670	6,868
Restriction on remeasurement gains recognition	(6,611)	-
	<hr/>	<hr/>
Remeasurement gains recognised in Statement of Financial Activities	13,059	6,868
	<hr/> <hr/>	<hr/> <hr/>

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, were:

	2023 £000	2022 £000
Equities	24,972	22,666
Bonds	4,789	4,150
Property	2,395	1,915
Cash	2,052	3,192
	<hr/>	<hr/>
Fair value of assets attributed to the Charity	34,208	31,923
	<hr/> <hr/>	<hr/> <hr/>

The major assumptions used in this valuation were:

	2023	2022
Rate of increase in salaries	3.45%	3.65%
Rate of increase in pensions in payment and deferred pensions	2.95%	3.15%
Discount rate applied to scheme liabilities	4.75%	2.75%

Life expectancy is based on the LPF VitaCurves with improvements in line with the CMI2021 model, with a 10% weighting of 2021 and 2020 data, standard smoothing (Sk7), initial adjustment of 0.25% and a long term rate of improvement of 1.5% per annum for both males and females. Based on these assumptions, the average future life expectancies at age 65 are summarised below:

	Male	Female
Current pensioners	19.9 years	22.9 years
Future pensioners	21.2 years	24.7 years

Notes to the Accounts

14 Pension schemes (continued)

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
0.1% decrease in the real discount rate	3%	720
1 year increase in member life expectancy	4%	1,104
0.1% increase in the salary increase rate	0%	72
0.1% increase in the pension increase rate	2%	659

It is estimated that the Charity will contribute £1,122,000 to this defined benefit scheme in the year ending 31 March 2024.

NHS Pension Scheme (Scotland)

The NHS Pension Scheme (Scotland) is a multi-employer defined benefit scheme where the share of the assets and liabilities applicable to each participating employer is not identified. The Charity therefore accounts 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 pension liability of the NHS Pension Scheme (Scotland) at £95.1 billion as at 31 March 2022. As a result of this liability, current service costs are likely to remain in excess of present contribution levels.

In the year ended 31 March 2023, normal employer contributions of £708,000 were payable to the NHS Pension Scheme (Scotland) (2022: £676,000) at the rate of 20.9% of pensionable earnings (2022: 20.9%). As at 31 March 2023, 89 staff were members of the scheme (2022: 80) paying between 5.2% and 14.7% of pensionable earnings. The Scottish Government has refunded the Charity employer contributions totalling £187,000 (2022: £187,000), following the increase in employer contributions from the previous rate of 14.9% to 20.9% which took effect from 1 April 2019.

Other pension arrangements

Ardoch Loch Lomond Limited entered into an agreement with Smart Pension Limited in 2021 to participate in a multi-employer defined contribution scheme for the benefit of its employees. As at 31 March 2023, four staff (2022: three) were members of the scheme. Normal employer contributions of £2,872 (2022: £1,474) were payable in the year. Ardoch Loch Lomond Limited also contributed £2,225 (2022: £1,636) into a personal pension plan for an employee who is not a member of the scheme operated by Smart Pension Limited.

Notes to the Accounts

15 Statement of funds

Group	As at 1 April 2022 £000	Income £000	Expenditure £000	Other gains and losses £000	Transfers £000	As at 31 March 2023 £000
Restricted income funds						
Scottish Government - pension shortfall funding	-	1,187	(253)	-	-	934
Service development	39	283	(29)	-	-	293
Robin House	110	554	(518)	-	5	151
Rachel House	108	486	(470)	-	(5)	119
The National Lottery Community Fund	59	-	(44)	-	-	15
CHAS at Home	81	7	(87)	-	-	1
Scottish Government - core and one-off top-up funding	-	8,134	(8,134)	-	-	-
Scottish Local Authorities	-	720	(720)	-	-	-
Scottish Government - infrastructure services funding	-	143	(143)	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total restricted income funds	397	11,514	(10,398)	-	-	1,513
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Unrestricted income funds						
<i>Designated funds:</i>						
Fixed asset fund	12,114	-	-	-	(468)	11,646
Operational investment fund	5,751	-	-	(1,723)	4,856	8,884
Strategic investment fund	-	-	-	-	5,000	5,000
General reserve	23,157	10,676	(12,437)	-	(7,125)	14,271
Pension reserve	(10,796)	-	-	13,059	(2,263)	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total unrestricted income funds	30,226	10,676	(12,437)	11,336	-	39,801
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total funds	30,623	22,190	(22,835)	11,336	-	41,314
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

Notes to the Accounts

15 Statement of funds (continued)

Group	As at 1 April 2021 £000	Income £000	Expenditure £000	Other gains and losses £000	Transfers £000	As at 31 March 2022 £000
Restricted income funds						
Robin House	101	507	(498)	-	-	110
Rachel House	83	923	(898)	-	-	108
CHAS at Home	76	28	(23)	-	-	81
The National Lottery Community Fund	65	35	(41)	-	-	59
Service Development	37	2	-	-	-	39
Scottish NHS Boards	-	5,912	(5,912)	-	-	-
Scottish Local Authorities	-	682	(682)	-	-	-
Scottish Government	-	411	(411)	-	-	-
Total restricted income funds	362	8,500	(8,465)	-	-	397
Unrestricted income funds						
<i>Designated funds:</i>						
Fixed asset fund	13,029	-	-	-	(915)	12,114
Operational investment fund	5,164	-	-	(68)	655	5,751
General reserve	19,284	12,416	(11,403)	-	2,860	23,157
Pension reserve	(15,064)	-	-	6,868	(2,600)	(10,796)
Total unrestricted income funds	22,413	12,416	(11,403)	6,800	-	30,226
Total funds	22,775	20,916	(19,868)	6,800	-	30,623

Notes to the Accounts

15 Statement of funds (continued)

Company	As at 1 April 2022 £000	Income £000	Expenditure £000	Other gains and losses £000	Transfers £000	As at 31 March 2023 £000
Restricted income funds						
Scottish Government - pension shortfall funding	-	1,187	(253)	-	-	934
Service development	39	283	(29)	-	-	293
Robin House	110	554	(518)	-	5	151
Rachel House	108	486	(470)	-	(5)	119
The National Lottery Community Fund	59	-	(44)	-	-	15
CHAS at Home	81	7	(87)	-	-	1
Scottish Government - core and one-off top-up funding	-	8,134	(8,134)	-	-	-
Scottish Local Authorities	-	720	(720)	-	-	-
Scottish Government - infrastructure services funding	-	143	(143)	-	-	-
Total restricted income funds	397	11,514	(10,398)	-	-	1,513
Unrestricted income funds						
<i>Designated funds:</i>						
Fixed asset fund	12,132	-	-	-	(446)	11,686
Operational investment fund	5,751	-	-	(1,723)	4,856	8,884
Strategic investment fund	-	-	-	-	5,000	5,000
General reserve	23,589	10,002	(11,813)	-	(7,147)	14,631
Pension reserve	(10,796)	-	-	13,059	(2,263)	-
Total unrestricted income funds	30,676	10,002	(11,813)	11,336	-	40,201
Total funds	31,073	21,516	(22,211)	11,336	-	41,714

Notes to the Accounts

15 Statement of funds (continued)

Company	As at 1 April 2021 £000	Income £000	Expenditure £000	Other gains and losses £000	Transfers £000	As at 31 March 2022 £000
Restricted income funds						
Robin House	101	507	(498)	-	-	110
Rachel House	83	923	(898)	-	-	108
CHAS at Home	76	28	(23)	-	-	81
The National Lottery Community Fund	65	35	(41)	-	-	59
Service Development	37	2	-	-	-	39
Scottish NHS Boards	-	5,912	(5,912)	-	-	-
Scottish Local Authorities	-	682	(682)	-	-	-
Scottish Government	-	411	(411)	-	-	-
Total restricted income funds	362	8,500	(8,465)	-	-	397
Unrestricted income funds						
<i>Designated funds:</i>						
Fixed asset fund	13,051	-	-	-	(919)	12,132
Operational investment fund	5,164	-	-	(68)	655	5,751
General reserve	19,537	11,581	(10,393)	-	2,864	23,589
Pension reserve	(15,064)	-	-	6,868	(2,600)	(10,796)
Total unrestricted income funds	22,688	11,581	(10,393)	6,800	-	30,676
Total funds	23,050	20,081	(18,858)	6,800	-	31,073

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 2023 relate to specific expenditure yet to be incurred.

Funding received from the Scottish Government and Scottish Local Authorities is not to be utilised for fundraising costs (including events), trading and investment management fees and hence is restricted. 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. This funding is generally spent by the Charity in the year in which it is received, except for pension shortfall funding from the Scottish Government, which will meet increased pension costs.

Funds restricted for Service Development relate to amounts received to fund new clinical posts and initiatives. Restricted funds relating to Rachel House, Robin House and CHAS at Home relate to money provided by individuals, companies, trusts and foundations to support the operation and staffing of these parts of our organisation. Restricted income from The National Lottery Community Fund relates to the funding of a specific staff post in our Family Support team.

Designated funds comprise the strategic investment fund, the operational investment fund and the fixed asset fund. The strategic investment fund represents the funds ring fenced by the Directors for investment in the enhancement and modernisation of our hospice properties. The operational investment fund consists of forecast operating budget deficits and ongoing capital expenditure for the forthcoming three years, as CHAS continues to strive to meet the needs of all children and families in Scotland requiring palliative care. The fixed asset fund reflects the net book value of the group's tangible fixed assets, including Rachel House, Robin House and Ardoch Loch Lomond.

Notes to the Accounts

15 Statement of funds (continued)

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 budget deficits in the years immediately ahead. The pension reserve represents any shortfall in funding for the organisational defined benefit pension scheme held with Lothian Pension Fund as supplied by independent actuaries. As the actuarial valuation reported a surplus on 31 March 2023 (albeit which was not recognised in these accounts), the pension reserve balance is currently nil.

16 Commitments

Future commitments under non-cancellable operating leases are as follows:	2023	2022
	£000	£000
Land and buildings		
Within one year	153	155
In the second to fifth years inclusive	165	275
In over five years	4	23
	322	453

17 Contingent assets

Legacies

In July 2015, the Charity received notification that it was a beneficiary of a significant legacy gift, pending the sale of four heritable properties by the Executors of the estate. The Charity received an initial distribution of £450,000 from the estate in June 2023, which is included as income in these accounts. The Charity expects to receive further substantial payments from the estate, although the amount and timing of such payments remains subject to considerable uncertainty and is therefore not included in these accounts as an asset.

18 Contingent liabilities

Pensions – strain on fund costs

The Charity became subject to Lothian Pension Fund's Salary Strain Recharge Mechanism in April 2022. Under this mechanism, the fund's actuary performs annual calculations to determine whether an employer has a liability for strain on fund costs. These strain costs occur where an employer's pensionable earnings growth exceeds a level set out by the actuary in each formal triennial valuation.

The calculation of strain on fund costs is performed annually in arrears. The Charity therefore became liable for strain costs effective from 2021/22 – the first annual round of strain costs calculated since it received notification that it was subject to the recharge mechanism. The Charity was notified of a strain on fund cost liability of £62,000 during the year, which is included in these accounts.

The Charity may also have a strain cost liability for 2022/23. Owing to the complexity of strain cost calculations, and the specialist actuarial input required, the Charity is not able to estimate the amount of any potential liability, should such a liability exist.

Notes to the Accounts

19 Analysis of net assets between funds

Group	Restricted Funds £000	General Reserves £000	Designated Funds £000	Total £000
Fund balances at 31 March 2023 are represented by:				
Tangible fixed assets	-	-	11,646	11,646
Investments	-	7,953	13,884	21,837
Current assets	1,513	8,764	-	10,277
Current liabilities - falling due within one year	-	(2,098)	-	(2,098)
Provision for liabilities	-	(348)	-	(348)
Net assets including pension deficit	1,513	14,271	25,530	41,314
Fund balances at 31 March 2022 are represented by:				
Tangible fixed assets	-	-	12,114	12,114
Investments	-	16,530	5,751	22,281
Current assets	397	9,462	-	9,859
Current liabilities - falling due within one year	-	(2,503)	-	(2,503)
Provision for liabilities	-	(332)	-	(332)
Defined benefit pension scheme deficit	-	(10,796)	-	(10,796)
Net assets including pension deficit	397	12,361	17,865	30,623
Company				
	Restricted Funds £000	General Reserves £000	Designated Funds £000	Total £000
Fund balances at 31 March 2023 are represented by:				
Tangible fixed assets	-	-	11,686	11,686
Investments	-	7,953	13,884	21,837
Current assets	1,513	9,013	-	10,526
Current liabilities - falling due within one year	-	(1,987)	-	(1,987)
Provision for liabilities	-	(348)	-	(348)
Net assets including pension deficit	1,513	14,631	25,570	41,714
Fund balances at 31 March 2022 are represented by:				
Tangible fixed assets	-	-	12,132	12,132
Investments	-	16,530	5,751	22,281
Current assets	397	9,548	-	9,945
Current liabilities - falling due within one year	-	(2,204)	-	(2,204)
Provision for liabilities	-	(285)	-	(285)
Defined benefit pension scheme deficit	-	(10,796)	-	(10,796)
Net assets including pension deficit	397	12,793	17,883	31,073

Notes to the Accounts

20 Prior year Statement of Financial Activities

Group	Unrestricted Funds £000	Restricted Funds £000	2022 Total £000
Income:			
Donations and legacies	6,232	1,495	7,727
Trading activities	767	-	767
Income from investments	561	-	561
Income from charitable activities	4,856	7,005	11,861
Total income	12,416	8,500	20,916
Expenditure:			
Cost of raising funds	(4,684)	-	(4,684)
Cost of charitable activities	(6,719)	(8,465)	(15,184)
Total expenditure	(11,403)	(8,465)	(19,868)
Net income on operating activities	1,013	35	1,048
Net gains on investments	(68)	-	(68)
Remeasurement losses on defined benefit pension scheme	6,868	-	6,868
Net movement in funds	7,813	35	7,848

Company

Income:			
Donations and legacies	6,232	1,495	7,727
Income from investments	561	-	561
Income from charitable activities	4,788	7,005	11,793
Total income	11,581	8,500	20,081
Expenditure:			
Cost of raising funds	(3,883)	-	(3,883)
Cost of charitable activities	(6,510)	(8,465)	(14,975)
Total expenditure	(10,393)	(8,465)	(18,858)
Net income on operating activities	1,188	35	1,223
Net gains on investments	(68)	-	(68)
Remeasurement losses on defined benefit pension scheme	6,868	-	6,868
Net movement in funds	7,988	35	8,023



Keep the joy alive

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