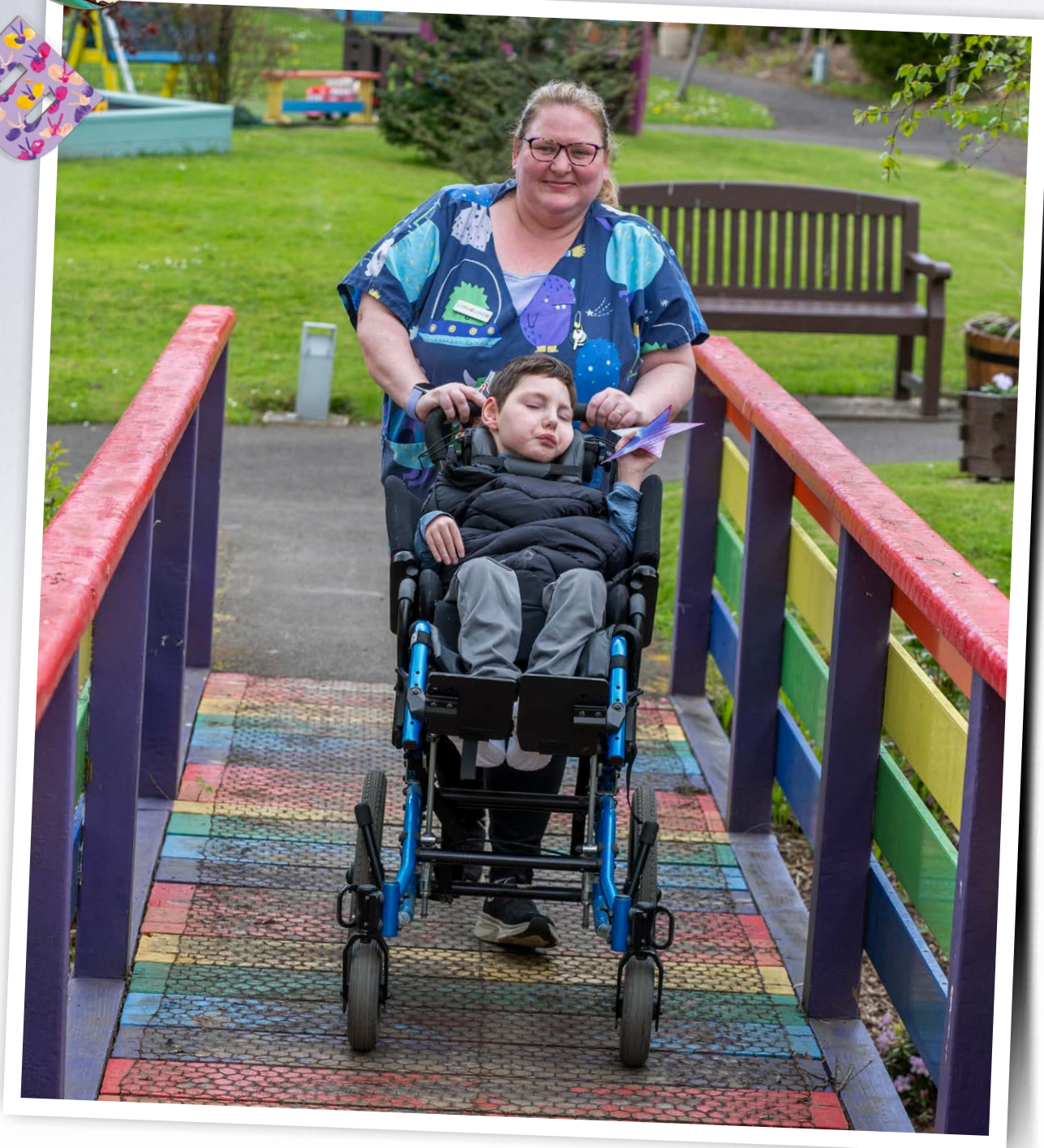




CHAS

Children's Hospices Across Scotland



Annual Report and Accounts
2023/24





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Welcome

During the last 12 months, I have reflected upon my role as Chair of CHAS and how privileged I am to be associated with such a positive and compassionate organisation. Our role in supporting children and families, through the most heartbreaking of journeys, is one which profoundly affects us all and will stay with us forever. Each week, three children in Scotland die from an incurable condition and the experiences and perspectives of those children and families are at the core of how we make decisions for CHAS.

The last 12 months have been both exceptionally rewarding, but also challenging, as we work towards our ambition that no-one should face the death of their child alone. I am delighted to share some of the key areas of focus as we close another important year for CHAS.

In April 2024, we launched 'Unwavering Care: Our Strategic Plan 2024-28'. We listened carefully to many voices, including the children and families we support, and it is my pleasure to commend our new strategy to you.

Significant ongoing investment is required across all our properties, to ensure that they remain safe and fit for purpose. Rachel House became the first children's hospice in Scotland when it opened its doors nearly 30 years ago. The children's palliative care landscape has evolved rapidly in the years since, and it is vital that the hospice facilitates the delivery of excellent care, both now and long into the future. Over the coming months, we will be carrying out detailed design work with industry experts, to inform a major redevelopment of the hospice.

CHAS is a charity and all care is provided free. We exceeded our anticipated growth in fundraising by utilising our diverse fundraising streams. We are very grateful for the continued generosity and loyalty of our supporters; every single gift, minute or penny has a significant impact and is fundamental to the future of CHAS.

Statutory funding from the Scottish Government and local authorities continues to be vital as we work towards financial sustainability in providing hospice care for children across Scotland. Mindful of the challenging landscape we operate in, we have committed to a series of efficiency savings to help us maintain financial sustainability.

On behalf of the Board, I would like to express deep gratitude to all our funders. Funding received will help us focus on our priorities for the year ahead as we continue to collaborate with other charities, health providers, and statutory services to put children and families at the heart of all our work and decisions regardless of whether they are receiving support in hospices, their homes, the community or hospitals.

People are our most precious resource. We are carrying out extensive work to modernise our pay and grading to ensure we are a competitive, fair employer which can attract top talent. We have listened to what our people told us in the staff and volunteer surveys and have identified priority actions that will ensure we offer an exemplary experience for employees and volunteers. We intend to attract the very best people and to support, develop and retain them to enable the delivery of outstanding care to children and families. Work is ongoing to ensure CHAS is a trauma-informed workplace and a Steering Group has been established to support the embedding of trauma-informed practice across the organisation.

Children and families naturally remain at the very heart of all we do, and we have taken inspiration from them to define a new set of values that will inform all our activities:

- Time is precious
- We are courageous
- With love and compassion
- We play as one team

Late summer was a time for hellos and goodbyes as we welcomed Nigel Barry to the Board and said goodbye and thank you to Gwen Westgarth who was stepping down. I am delighted that CHAS benefits from the richness of conversation and robust decision-making processes brought about by a diverse, strong, forward thinking and experienced Board.

In closing, 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 across Scotland.

Peta M Hay
Chair of the Board of Directors



Strategic Review



The Year at a Glance

We are CHAS. We provide unwavering care to children who may die young and their families, at every step on this hardest of journeys.

We directly supported **419** babies, children and young people across Scotland, and hundreds more through our hospital palliative care teams.

We also supported nearly **2,000** family members of seriously ill children.

Hospices	754 admissions	3,121 bed nights for babies, children and young people	6,207 bed nights for their families
Outreach	1,856 visits to families homes	6,417 hours of care	268 Home Support Volunteer visits providing practical support
Family support team	280 seriously ill children supported	916 individual family members supported	£676,000 worth of funding and benefits secured for families
101 referrals accepted	67 children died	233 rainbow room bed nights in our hospices	Our fundraising income was £10.3 million



About CHAS

Three children die each week in Scotland from an incurable condition. We provide unwavering care to children who may die young and their families, at every step on this hardest of journeys. We support them in life, death and beyond. Our ambition is that no-one should face the death of their child alone. This year, we developed a new four year strategic plan called Unwavering Care which shows how we will support families earlier after learning their child is seriously ill and may die, through a period of years.

Clinical and Care Services

Children's Hospices Across Scotland (CHAS) works in partnership with health and social care providers to ensure hospice and palliative care services are provided for babies, children and young people (aged 0-21) and their families across Scotland.

Over the last year, we supported families in our two hospices, Rachel House and Robin House; at home and in the community; and in hospitals.

Our doctors, nurses, pharmacists, physiotherapists, social workers, and family support specialists work in deep partnership with health boards. This ensures the right support is provided where and when the family need it, throughout their child's life – no matter how short.

The landscape for care presented challenges as we remobilised our services post pandemic, but we increased activity in both hospices and our outreach service and built important strategic foundations in our hospital partnerships. This allowed us to provide more care to families.



For every baby, child or young person that we care for, we also provide crucial support for around four other family members. Children with life-shortening conditions are 50% more likely to be living in the most deprived communities and the cost-of-living crisis continues to have a huge impact on families. Our family support team were busy providing emotional, practical and financial support.

We believe that children should be able to be children and have fun, no matter how short their life is. We held activities throughout the year so children had fun experiences, creating memories that will last a lifetime. A particularly memorable experience for two families was meeting His Majesty, The King, who visited Kinross.

Care in our Hospices



Our two hospices, Rachel House and Robin House, provide integrated palliative and end-of-life care, as well as respite care for the entire family. Over the year, the hospices gradually opened more beds, approaching pre-pandemic levels, despite facing challenges such as training for a new fire evacuation process, and a difficult recruitment market. Improvements in recruitment and on-boarding have led to a fully staffed medical team. A comprehensive training programme was implemented ensuring high-quality, safe, and effective care, for children with complex needs.

The hospices provide a space for families to create precious memories together, and to experience much needed respite, or a break in difficult times. To enhance family experiences, the hospices established a Nutrition Group to improve catering and initiated the 'Sip and Sign' programme at Rachel House to teach Makaton, supporting non-verbal children in communicating.

Special memories were made during events like Easter, Eid, Coronation, and Halloween parties, and the Rebecca Rocks music festival at Robin House. Summer activities included a forest school, day trips to the safari park, cinema, and the Kelpies. Additional Play Assistants were recruited to bolster capacity for these special experiences.

Our hospices provide a space for children to die with dignity, and for families to say a meaningful goodbye to their child. After a child's death, the Rainbow Rooms in our hospices offer a safe space for parents to stay with their child, process their grief and say goodbye. During the year, there were often multiple Rainbow Rooms in use, and that required intense staff input from both nursing and family support teams.

Care at Home

CHAS extends hospice services into the community, primarily in family homes across the country. Our outreach service has grown rapidly, driven by increased staffing and strong demand for home services. Skilled nurses provided visits and respite care as needed, addressing issues like breakdowns in care packages, health deterioration, end-of-life care, and hospital support. A hub event in Galashiels, attended by families and NHS community children's nurses, helped build local partnerships. Further such events are planned in future.

Home support volunteers offered practical, non-clinical support, with successful recruitment expanding volunteer presence in Inverness, Dundee and Elgin.

Fun experiences and opportunities for memory making are not confined to the hospices. Our activities team work hard to bring a range of creative and fun activities to families across the country. For those who couldn't attend an event in person, virtual sessions with Nordoff Robbins provided music therapy to children in rural areas, making sure that everyone has the opportunity to take part in the fun activities. Our in-house and partner music therapists were delighted to be asked to contribute a chapter to a book following the success of a CHAS music-making project involving scores of families.

Care in Hospitals

CHAS maintains a permanent presence in five Scottish hospitals, collaborating closely with NHS teams to deliver complex care through palliative care teams and CHAS-funded specialists. The CHAS Medical Director, Dr Annabel Howell, provided sessions to NHS Lothian as part of our joint palliative care team. In Glasgow, a CHAS doctor supported the hospital team one day a week, working towards becoming a consultant. We planned the recruitment of further joint consultants who will work across the hospices and hospitals. All paediatric palliative medical specialists in CHAS are employed by, or funded by, CHAS.

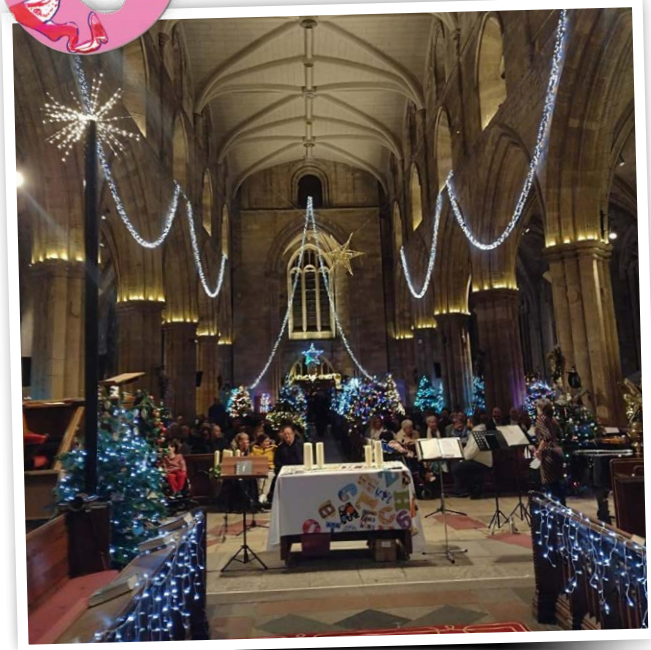
Our three Diana Children's Nurses conducted a time study to balance direct care, capacity building, and policy development, using the data to evolve their roles. In the North-East, a Social Worker joined the hospital team in Aberdeen, marking the first integration of medicine, nursing, and social work in a Scottish hospital. Discussions with the Archie Foundation aimed to progress an end-of-life facility in the hospital. A new Child and Family Worker based at Raigmore Hospital, Inverness, will enhance our outreach service in the area.



Support for the Whole Family

The family support team offered specialist support from Social Workers and Child and Family Workers, addressing issues like financial worries, benefits, sibling support, chaplaincy, end-of-life care, and bereavement. Our money advice specialists secured significant funding and benefits for families, almost doubling the financial support they have assisted families to access this year. Energy advisors, funded by British Gas Energy Trust, provided income maximisation and energy advice, including replacing boilers in family homes and distributing winter cosy packs with items like hooded blankets and energy-efficient light bulbs.

Sibling events helped sisters and brothers to better prepare for life, offering opportunities to connect with others in similar situations and building resilience through activities focused on confidence building and teamwork.



After a child's death, CHAS provides support to help siblings, parents, and other family members cope with grief. A new bereavement team focuses on one-to-one support for parents and siblings. Remembering Day services in Stirling and a Christmas Candlelight Service in Aberdeen provided opportunities for families to remember their loved ones. A CHAS Memory Walk around Loch Lomond was held for the first time.

Quality, Learning, and Effective Clinical Governance

We have a clear focus on continuous quality improvement and developing the clinical skills of our multi-disciplinary team, and the development of a new quality framework. Responding to the intensification of the depth and complexity of care needs, we accelerated training arrangements for nurses in key skills, including training in tracheostomy and ventilated children.

Our people bring a wealth of experience to enhance our provision of care. Some highlights include:

- Our Service Manager for Outreach was awarded the prestigious Queen's Nurse title and is the second CHAS nurse to receive this award for high standards of practice and patient-centred care.
- Our Lead Pharmacist has been invited to peer review The Association for Paediatric Palliative Medicine Formulary.
- Our Diana Children's Nurse in Edinburgh was runner-up in the People's Choice category at the RCN Scotland Nurse of the Year Awards.

We continue to provide safe and effective care. Our independent healthcare and care services are regulated, with clinical governance arrangements that deliver excellent care. Our hospices are regulated by Healthcare Improvement Scotland and our outreach service is regulated by the Care Inspectorate. Rachel House had its first full inspection since the pandemic. Inspectors found the vision and leadership across CHAS to be "exceptional".



Income Generation and Engagement

Joy of Giving Strategy

Our Joy of Giving Strategy outlines our ambitious plans to raise income by inspiring and motivating people across Scotland to support CHAS by giving time, money, and voice. We are extremely grateful to everyone who raised money for us, and our fundraising team and volunteers were proud to exceed our fundraising growth targets. We achieved this through diverse activities, including community, trusts, corporate partnerships, philanthropy, individual giving, high-profile events, retail, and our profit-for-purpose venue at Ardoch Loch Lomond. Legacies are a significant income source, accounting for £1 of every £4 donated to CHAS.

Campaigns and Community Engagement

Our new Christmas TV advert featured a new emotive creative, highlighting the importance of supporting families to make the most of the precious time they have with their children. Thanks to the generosity of the public, this resulted in above-target income and record advertisement awareness scores. The community and partnerships and philanthropy teams secured sponsorships for the Hairy Highland Coo Trail, featuring public art installations across Perth and Kinross in summer 2024.

Partnerships and Philanthropy

Our long-term partnership with Morgan Stanley Glasgow successfully raised funds to support the establishment of our new bereavement service. Loganair extended their partnership with CHAS for a third year. We benefited from generous support from Primark's bag levy. Trusts and Philanthropy continue to support key services and facilities, with multi-annual five and six figure pledges secured.

Challenge and High-Profile Events

Our variety of challenge events, including the Kiltwalk and Edinburgh Marathon, attracted huge interest. The Knit Everyday campaign was an enormous success raising record income and securing two awards. Annual events like the Capital Sci-Fi Con continue to grow year on year, while high-profile events such as the Rocking Horse Ball and the Fawkes-y Ladies Lunch contributed significantly to the team exceeding income targets for another year.

Retail and Exclusive Use Venue Success

Our retail operations celebrated the best year of trading, with innovative initiatives such as a pop-up shop at the new and prestigious St James Quarter in Edinburgh. Ardoch Loch Lomond saw its corporate client base grow and hosted weddings with overwhelmingly positive feedback, leading to repeat bookings.

Awareness and Media Coverage

YouGov research shows our fundraising and awareness campaigns are performing strongly. Unprompted awareness of CHAS reached 12.5% of Scottish adults, while prompted awareness remained at 56%. Likelihood to support CHAS rose to 31%, up 8% from last year. Exceptional media coverage across radio, TV, and digital channels reached 177 million opportunities to see (OTS) with 922 clips promoting our seasonal campaigns.



People

Commitment to a Positive Workplace Culture

At CHAS, we are dedicated to creating a workplace culture that brings a sense of belonging, joy, and purpose, ensuring an outstanding experience for children and families. With around 380 staff and 800 volunteers, our new Purpose, Values, Promise and Ambition statement, together with our People Strategy, based on the insights from a range of stakeholders, aims to cultivate a motivated, engaged, and fulfilled workforce. We are progressing our Equality, Diversity and Inclusion Strategy. Our staff survey showed an extremely high proportion of staff were proud to work for CHAS and would recommend it as a place to work.



Staff Engagement and Development

To attract, develop, and retain top talent, we reviewed and improved recruitment, pre-boarding and on-boarding processes in response to post-pandemic staff turnover. Strengthening our employee value proposition has been a priority and as part of that work, we introduced an employee referral scheme and an employer supported volunteering scheme. Modernising our pay and grading structure will help us to ensure that we remain a competitive employer. We recruited an Internal Communications Lead to enhance the effectiveness of information sharing within CHAS.

Innovation and Learning Culture

Responding to staff survey feedback, we introduced initiatives like a revised check-in process, new learning events, and an updated manager development programme. Flexible working arrangements and planning for a coaching culture aim to improve staff engagement, performance, and workplace culture.

Wellbeing and Resilience

Recognising the importance of wellbeing, we implemented a Wellbeing Strategy that includes mental health support, financial and social wellbeing initiatives, and an employee assistance programme accessible to both staff and volunteers. Activities such as supervision, debriefs, Schwartz Rounds, and Values-Based Reflective Practice have improved wellbeing and engagement results in staff surveys. Additional psychological support is now available for staff delivering care.

Trauma-Informed Culture

Embedding trauma-informed values is a priority, with training offered by CHAS trauma-informed champions. A Trauma-Informed Workplace Steering Group supports this initiative, developing a performance framework and action plan, and monitoring progress and impact.

Communications and Awareness

Regular communication campaigns raise awareness of wellbeing topics. The Menopause Group hosted workshops to educate staff on managing menopause in the workplace.

Volunteer Involvement

Our Volunteering Strategy integrates volunteers deeply into our services. The annual volunteering survey showed that 100% of volunteers enjoy their experience, and 96% would recommend volunteering with CHAS. Volunteer numbers have now returned to pre-pandemic levels, with 804 volunteers donating over 42,500 hours.

Influencing Strategy

Working in Partnership

We worked in deep partnership with charities, health providers, and statutory services to prioritise children and families in decision-making processes. Positive discussions with partners aimed to enhance specialist clinical care across Scotland.

Our partnerships with the NHS and other organisations continued to evolve, particularly to support end-of-life care at home. Notable collaborations included joint work with Marie Curie for an older young person and the planning of a new national 24-hour medical on-call model with NHS colleagues and the Scottish Government.

In Glasgow, we partnered with paediatric outreach oncology nurses to provide end-of-life care at home. In the north-east, our Diana Children's Nurse led the development of a training programme for NHS and CHAS nursing staff. Discussions with Highland Hospice explored additional options in the region.

We play an active role in research. For example, we collaborated with the University of Strathclyde on a research project funded by the UK Arts and Humanities Research Council, involving siblings in understanding their perspectives on wellbeing and care. Outputs will include materials co-created with children.

We secured further funding from the British Gas Energy Trust to operate a joint benefits and energy advice service with increased resources. Also, we support parents and siblings before, during, and after the death of their loved one, and shared our expertise through NHS webinars and hosting a children's spirituality conference for NHS spiritual care staff during Interfaith Week.

Amplifying the Voices of Children and Families

The children and families we support are significantly impacted by government policies. Our engagement with ministers, MSPs, MPs and civil servants is robust and impactful, as evidenced by the results of the 2023 MSP polling survey. CHAS scored third highest among all participating organisations.

We hosted numerous visits from Scottish Government Ministers, MSPs, and MPs to our hospices, as well as a parliamentary reception attended by over 250 guests.



Our efforts amplify the voices of children and families, advocate for their needs and help policymakers to understand their lives. Our Chief Executive provided testimony to the Scottish COVID-19 Inquiry and has been appointed to the Poverty and Inequality Commission. We collaborated with the Scottish Government on policies affecting children and families, including the National Care Service Bill, the forthcoming Transitions to Adulthood Strategy and the forthcoming Palliative and End of Life Care Strategy. We also addressed reactive issues like assisted dying, ensuring MSPs are aware of our concerns about its impact on young adults.

To alleviate financial distress, we advocated for ring-fenced energy support funds for the families of children with life-shortening conditions. We partnered with the Sunday Post, securing over 19,000 signatures to a petition.

We lobbied for sustainable government funding, working with Marie Curie and Hospice UK to address funding deficits. The SCVO's response to the Scottish Parliament's Finance Committee highlighted the economic value of CHAS's work as exemplary in the voluntary sector.

Infrastructure and Property

Facilities Management

To deliver the best possible experience for children and families, we restructured our facilities team. We appointed a new Head of Facilities and Projects to enhance estate management and capital investment planning, and two Operations Managers to oversee soft facilities, hard facilities, and health and safety. External advisors were appointed to provide specialist health and safety advice, and operational support, thus increasing resilience and capacity.

Hospice Improvements

Our emerging capital plan points to the need for significant investment in our hospices over the coming years. This year, some of the work carried out involved completing fire stopping works, a new legionella dosing system, updating the Fire Evacuation Strategy, introducing the new facilities helpdesk, upgrading parents' bedrooms in Robin House, and upgrading TVs in children's and families' rooms. Major roof improvement works for Robin House are also underway.

A substantial amount of work has been put into a feasibility study, working with a dedicated design team for a significant refurbishment of Rachel House.

Other Estates Developments

We renewed retail leases in Kinross, refurbished a shop, and are exploring further growth opportunities. We have continued to maintain our other properties, including offices and Ardoch Loch Lomond. Additionally, we established a new base in Inverness to support outreach activities.

Digital and Data Strategy

Our Digital and Data Strategy aims to improve decision-making by leveraging data as a critical asset. By using aggregated data from transactional systems, we can gain insights to better deliver services for children and families. We have invested in ICT, cybersecurity and technology to support an increasingly mobile workforce.

Energy and Carbon Reporting

The Directors are mindful of the need to minimise the environmental impact from our operations as far as practicable. The table below summarises our carbon footprint for the year ended 31 March 2024, together with prior year comparatives:

	Consumption 2024	Conversion Factor (per kg of CO ₂ emissions) 2024	CO ₂ Emissions (tonnes) 2024	Consumption 2023	Conversion Factor (per kg of CO ₂ emissions) 2023	CO ₂ Emissions (tonnes) 2023
Utilities						
Gas	1,262,768 kWh	0.183	231.09	1,327,348 kWh	0.183	242.90
Electricity	604,458 kWh	0.207	125.12	673,475 kWh	0.193	129.98
Water	6,478 m ³	0.177	1.15	6,630 m ³	0.149	0.99
Waste Water Treatment	5,662 m ³	0.201	1.14	5,771 m ³	0.272	1.57
Biomass (wood pellets)	52.30 tonnes	51.562	2.70	52.17 tonnes	50.555	2.64
Other Fuels	8,506 litres	1.855	15.78	10,404 litres	1.855	19.30
Transport						
Owned Fleet	155,825 miles	1.453	226.41	129,595 miles	1.455	188.56
Grey Fleet	356,671 miles	0.266	94.87	302,182 miles	0.275	83.10
Total Carbon Footprint			698.26			669.04

Our carbon emissions have now returned to pre-pandemic levels and although most sources of these emissions have either reduced or remained stable, there is an increase in our overall carbon footprint as a result of an increase in emissions from transport. This is partly attributable to changes in the mix of our service provision and the structure of some of our teams, resulting in the need for increased travel.

Our utilities consumption continues to have a significant impact on our carbon footprint and accounted for 358.50 tonnes of CO₂ emissions during the year (2023: 375.44 tonnes). Gas, electricity and water usage at our hospices makes up over 50% of this total and reflects the necessity to update to energy efficient equipment and maintain a thermostatically controlled comfortable temperature in the hospices for the benefit of children and families. 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 321.28 tonnes (2023: 271.66 tonnes) reflecting service provision developments and changes in ways of working as referenced above. We delivered 43% more outreach homecare visits than in the previous year, which has been a key factor driving this increased travel. Moreover, there has also been an increase in the transport mileage related to bringing families to our hospices. During the year, the mileage undertaken by our fleet of minibuses, vans and cars totalled 155,825 (2023: 129,595). Meanwhile our grey fleet mileage for the year, which measures where staff use their own vehicles for CHAS business, rose to 356,671 (2023: 302,182). The continuation of online meetings and options to car share help to minimise emissions from travel where possible; and we plan to launch a cycle-to-work scheme during the next financial year.

Our staff continue to work on identifying practicable mitigations to all aspects of our environmental impact.

Governance

Legal Status

Children's Hospices Across Scotland is a company limited by guarantee with 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 operates commercial activities from Ardoch Loch Lomond, which was gifted to Children's Hospices Across Scotland in 2020.

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

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)
Nigel Q D Barry (appointed 21 August 2023)
Nicola M Connelly
Gillian Donald
Faraz M Hussain
Donald R Macdonald
Dr Deirdre McCormick
Jacqueline M Pepper
Stephen Reid
Sophia D Salim
Peter J Smyth
Gwen P Westgarth (resigned 25 September 2023)

Company Secretary

Stuart Parry

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.

Directors of CHAS are not entitled to any remuneration but can be reimbursed for expenses incurred in carrying out their duties.

Board Meetings and Governance Developments

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.

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 continue to work alongside BDO who provide an outsourced internal audit function. This enables us to further develop our internal control environment and to enhance the efficiency and effectiveness of our financial, and some non-financial, processes. This has resulted in a review and strengthening of processes around risk management, payroll and general financial controls.

Board Committees

The Board delegate responsibility for four 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. Minutes of Committee 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 four 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, Gwen P Westgarth (until 25 September 2023).

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, 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 (excluding the Rachel House redesign project) 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: Nicola M Connelly (Convenor), Nigel Q D Barry (from 21 August 2023, previously co-opted Committee member), Faraz M Hussain, Gemma Rankine (co-opted Committee member, until 14 February 2024), Stephen Reid.

Rachel House Redesign Steering Committee

This Committee was formed in late 2023 to ensure that the Rachel House redesign project aligns with the strategic vision and mission of CHAS and that the needs of children and families are paramount in the redesign process. It will also oversee the efficient use of resources to achieve the project's goals; and monitor and manage risks that impact the successful completion of the scoping phase of the project. Further, it will maintain regular communication with stakeholders, ensuring that their needs and concerns are considered throughout the process, and will ensure that the outline design proposal adheres to all relevant regulatory standards and guidelines.

Committee Members: Donald R Macdonald (Convenor), Nicola M Connelly, Gillian Donald, Dr Edward I Doyle, Gwen P Westgarth (former trustee).

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 R Hogg, Director of Nursing and Family Support (until 31 March 2024)

Dr Annabel P Howell, Medical Director

Morven L MacLean, Director of People and Strategy

Iain W McAndrew, Director of Income Generation and Engagement

Jane Smith, Chief Operating Officer

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

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 on the hardest of journeys for more than 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. 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 would be impossible without our dedicated and skilled employees and volunteers. 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. We are, however, mindful of the emotional impact our work can have, especially for front-line colleagues. Recognising the nature of the work we undertake we provide a range of wellbeing and psychological support for staff. We are acutely aware of how challenging recent years have been for everyone and cost-of-living pressures continue to be a burden for many. Having narrowed the gap between our clinical pay rates and those in the NHS, we are reviewing non-clinical pay to ensure we are competitive in the non-clinical employment marketplace.

Business relationships with suppliers, customers and others

The children, young people and families that we care for, together with our loyal and generous supporters, are our key external stakeholders. We have listened carefully to their voices as we developed our new strategic plan 'Unwavering Care: Our Strategic Plan 2024-28' and take great care to ensure they remain at the heart of all that we do. We 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 local small businesses where practicable and aim to settle invoices within the agreed payment terms.

Impact on the community and the environment

Our work 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 across Scotland and beyond, generously support the work that we do. 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. CHAS remains committed to working on identifying all practicable ways in which we can minimise the harm caused to the environment through our activities. All upgrading and redevelopment work seeks to improve the environmental integrity of our estate.

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. We are a registered charity. 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 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.

The need to act fairly between members of the company

The Trustee Code of Conduct, alongside Conflict of Interest and Terms of Office policies are firmly embedded within our culture. Trustees are encouraged to attend Board meetings in person to enable networking and to facilitate robust discussions that result in the best possible decisions for the organisation and those we support. We continue to offer online options for those unable to attend in person and the majority of Committee meetings remain online. We are proud of our Trustees who bring to the table a wide variety of life experiences and personal/professional backgrounds, including personal experience of CHAS's services. Diversity in the board room enhances the richness of conversations and ensures robust strategic decision making.



Financial Review

We are pleased to report net income of £487,000 for the CHAS group of companies for the year (2023: £2.4 million net expenditure). Although net operating expenditure increased to £1.1 million (2023: £645,000), this was more than offset by investment gains following a year in which the markets were favourable for investors.

Overall group income increased to £22.8 million (2023: £22.2 million). In the face of a challenging economic backdrop, the continuing generosity of the public and the stellar efforts of our fundraising, retail and Ardoch Loch Lomond teams saw income from donations, legacies and trading reach £11.4 million (2023: £11.3 million).

Donations income grew substantially this year and reached £7.7 million (2023: £6.7 million) thanks to the generosity of the public and the many and inspiring ways in which they support our cause. The key driver of this growth was the increase in Direct Debit giving, following our significant investments in face-to-face donor acquisition over recent years. Further notable increases in Philanthropic giving and donations from the business community also contributed to the successful fundraising year.

Legacies remain a vital income source and we are very grateful to all those who so kindly thought of CHAS in their Will. Although legacy income decreased to £2.7 million (2023: £3.8 million), it nonetheless remains above our long-term annual average and is a cherished additional income source which helps us maximise the effectiveness and reach of our hospice services.

Income from trading activities surpassed £1 million this year for the first time in our history. Ardoch Loch Lomond continues to build trade as it works towards profitability and, ultimately, contributing those profits towards the cost of our hospice services throughout Scotland. Meanwhile, we are encouraged by the ongoing income growth from our small network of charity shops in Kinross and Dunfermline, where sales increased by 16% to reach £610,000 this year (2023: £526,000). In order to capitalise on this success, we are seeking to open additional shops as we implement our Retail Strategy over the coming years.

We remain grateful to the Scottish Government who provided £9.6 million (2023: £9.5 million) of statutory funding for the provision of our children's hospice services throughout Scotland, and very much appreciate the £763,000 in vital support from Scottish Local Authorities towards the provision of our family support services (2023: £720,000) at a time where public finances are extremely stretched.

Strong financial market performance was also manifest in increased income from dividends and bond interest, which was £697,000 (2023: £602,000). Meanwhile, ongoing higher interest rates benefitted CHAS, with interest received on cash balances held directly by the charity increasing sharply to £142,000 (2023: £55,000).

The welcome increase in income described above was made all the more vital by increasing cost pressures, which saw total expenditure across the group increase to £23.8 million (2023: £22.8 million). The increase this year was principally attributable to two key factors: backlog maintenance in ensuring that our estate is conducive to the provision of outstanding palliative care and a high performing workforce; and additional investment in building our donor base through Direct Debit giving.

The provision of high quality, person-centred children's palliative care is costly and cannot be accomplished without our skilled and dedicated workforce. Consequently, salaries and other payroll items make up the largest proportion of our overall costs.

We operate in a fiercely competitive employment marketplace, particularly for our skilled clinical staff. Payroll expenditure in cash terms (i.e., excluding non-cash pension service cost adjustments) increased to £16.2 million (2023: £14.4 million), as we seek to remain competitive with significant sector employers, particularly the NHS. Unusually, these additional costs were absorbed this year as a consequence of our recent favourable pension valuations. This meant that there was no requirement to record non-cash service costs this year (2023: £2.3 million). As a result, total payroll costs included in the accounts reduced to £16.2 million (2023: £16.6 million). Notwithstanding this technical reduction, staff costs will continue to represent the most significant cost pressure we will face for the foreseeable future.

Our funding position in the Lothian Pension Fund, where many of our clinical colleagues are members, remains positive this year with a surplus of £9.1 million (2023: £6.6 million). As was the case last year, however, the surplus has not been recognised as an asset on the Balance Sheet. The Directors retain the view that it would be imprudent to do so, as the prospect of realisation, either in the form of a cash refund or reduced future contributions, is very low.

Support costs reflect the expenditure on maintaining the corporate infrastructure required to enable the smooth operation of our hospice services, including property management, information services, finance, human resources, communications, volunteering, learning and executive support. These costs increased slightly to £4.8 million (2023: £4.6 million), however this increase was principally attributable to an increase in the provision for leasehold dilapidations, as we approach the end of significant leases. Other administrative costs were generally well contained, with many areas reporting a reduction this year.

Further details of the results for the year are provided in the accounts and accompanying notes.

Reserves

As a consequence of the financial results outlined above, the total funds of the group as at 31 March 2024 increased to £41.8 million (2023: £41.3 million). This balance comprised £40.6 million in unrestricted funds (2023: £39.8 million), which in turn includes £27.8 million of designated funds (2023: £25.5 million); and £1.2 million in restricted funds (2023: £1.5 million), relating to money received for purposes specified by donors and funders where the related expenditure is pending.

Unrestricted funds include the Fixed Asset Fund, which stood at £11.5 million as at 31 March 2024 (2023: £11.6 million). This fund principally comprises our Rachel House and Robin House hospices, along with Ardoch Loch Lomond. For the purposes of setting our reserves policy, the Fixed Asset Fund, together with restricted funds, are disregarded.

The Directors remain mindful of maintaining the Charity's ability to safeguard the provision of vital services, both for children and families who currently use our services and for future beneficiaries. They recognise the importance of financial resilience to withstand the impact of adverse financial circumstances, such as a significant downturn in investment markets or the return of a deficit pension funding position. The Directors therefore consider it necessary that CHAS continues to hold unrestricted funds (excluding the fixed asset fund) equivalent to no less than 12 months operating expenditure, net of recurring statutory funding.

As at 31 March 2024, the level of reserves held for the purposes of the above policy was £29.0 million (21.9 months). This balance, however, includes significant designated funds as set out below.

Following Board approval in June 2024, we are now in the planning phase of a major redesign project for Rachel House. With the hospice nearing its 30th birthday, it is important that it remains fit for purpose, recognising the significant changes in the care we deliver now and long into the future. The current indicative project cost, including the costs of fundraising, is expected to be in the order of £16 million. The Directors have designated £8.2 million of reserves to that purpose in the Rachel House Redevelopment Fund. This fund was previously named the Strategic Investment Fund.

The Service Development Fund (formerly the Operational Investment Fund) represents money set aside to cover costs associated with the increased provision of our services, chiefly in homecare but also in the clinical settings of our hospices and NHS partners. The Directors have designated £6.3 million for this purpose, covering increased expenditure anticipated over the next three years. We have also designated £1.8 million, representing our forecast capital expenditure (excluding the Rachel House redevelopment) through to the end of 2026/27.

We anticipate that both the Rachel House Redevelopment Fund and the Service Development Fund will be largely depleted by 31 March 2027, by which point it is forecast that unrestricted reserves (excluding the fixed asset fund) will be substantially closer to the 12 months stated policy position.

Investments

CHAS holds portfolios with two independent firms of investment managers. These managers work on a discretionary basis towards a total return objective, balanced between capital growth and income.

Our investment policy prohibits any holdings in organisations linked to the exploitation of children or the production of tobacco. Furthermore, any investment in derivatives, other complex financial instruments, or securities that are not readily realisable, is not permitted. These restrictions are enforced through a combination of our investment managers' in-house screening processes and our careful ongoing monitoring. In the event of any potential ethical breaches coming to light, the investments concerned would be disposed of as soon as practicable.

World investment markets rebounded robustly over 2023/24 owing to strengthened investor confidence that the tightened monetary policy employed by central banks was having the desired effect of dampening inflation. While the FTSE-100 was up by 4.2% over the year, many of the major market indices in North America and mainland Europe experienced double-digit percentage growth.

A review of CHAS's investment policy carried out in 2022/23 saw the removal of a restriction that had previously limited the proportion of equities holdings that are traded in overseas markets. This enabled our investment managers to fully focus their equity trading efforts on the strongest companies, regardless of geographical location.

This policy relaxation contributed to the positive performance of our portfolios this year, which saw the value of investments that we continue to hold, increase by £1.6 million. This was very much in marked contrast to the £1.7 million losses incurred in the prior year.

While these results were slightly below the benchmark targets against which our investment managers are evaluated, longer term performance remains satisfactory and continues to be closely monitored.

Our investment portfolios are under the management of:

- Adam & Company Investment Management Limited, 40 Princes Street, Edinburgh EH2 2BY
- LGT Wealth Management, One Lochrin Square, 92 Fountainbridge, Edinburgh EH3 9QA
- For banking services, CHAS principally uses Bank of Scotland, The Mound, Edinburgh EH1 1YZ

Looking Forward

We are there for families every step of the way, supporting them in life, death and beyond. Our ambition is that no-one should face the death of their child alone.

Right now, we cannot support every family that needs our services. To change that, 'Unwavering Care: Our Strategic Plan 2024-28' sets out how we will provide unwavering care to children who may die young and their families, at every step on this hardest of journeys. Visit www.chas.org.uk to read the plan in full.

Families say there are three critical stages on their journey when they need CHAS – learning your child is seriously ill and may die; living well; and dying well and bereavement. All our work will support families in these critical stages.

Our strategic plan is built by the children and young people we support, parents and carers, brothers and sisters, volunteers, staff and partners. Delivery of the plan is complex and requires change which will be overseen by the CHAS Board, Chief Executive and Senior Leadership Team. It is underpinned by key organisational strategies, essential to enable the delivery of clinical services and care.

There are challenges ahead. Medical advances have extended survival and the need for care is changing. We need to be able to support children who have more complex needs and support them over a longer period of time.

CHAS is a charity, and all care is provided free of charge. The majority of funding comes from voluntary donations. The Scottish Government and Local Authorities also provide important contributions, and, on behalf of families, we are very grateful. However, the cost of delivering care is rising fast and, without additional income, our current services will not be sustainable.

Our three-year Financial Strategy is focused on delivering financial sustainability and ensuring income and expenditure are in balance. This requires:

- an increase in statutory funding to ensure services are sustainable and continue to be a key part of Scotland's health and care landscape
- an increase in fundraised income
- efficiency savings to ensure we spend every penny as wisely as we can.

In addition, we are acutely aware of the investment needed to upgrade our hospices and particularly with Rachel House approaching its 30th year.

As we look forward and implement our plan, we will ensure that families remain at the heart of everything we do, by continuing to work collaboratively with a wide range of partners to deliver exceptional care based on choice.



Principal Risks and Uncertainties

The Board is ultimately responsible for the management of risk at CHAS. The principal risks and uncertainties identified for 2023/24 set out below, are regularly assessed to ensure appropriate monitoring and mitigation measures remain in place. These 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 governance structure in place supported by policies and procedures for key areas such as infection prevention and control • External review of health and safety and child protection policies • Our services are inspected by Healthcare Improvement Scotland and the Care Inspectorate • Compliance with all regulatory requirements and recommendations • Systems in place for reporting and sharing learning from adverse events • Levels of compliance for statutory and mandatory training are monitored • Appraisal/revalidation processes in place to support medical and nursing professional registration
Failure to sustain a culture of positive employee wellbeing and engagement, and act on feedback	May lead to staff burnout and an inability to recruit and retain talent	<ul style="list-style-type: none"> • Senior Leadership Team practice visible, compassionate leadership and frequently connect with staff • People Strategy launched in June 2023 • Strengthened HR function • Psychological support service is now available to all staff • Manager development programme to improve quality of line management and through that, the employee experience • A focus on work-life balance • Refreshed Equality, Diversity and Inclusion (EDI) Committee to oversee implementation of EDI Strategy • Review of pay and grading
Failure to manage our income and expenditure in the light of a challenging fiscal environment whilst using our resources effectively and efficiently	May slow the pace of service development and impede the delivery of our charitable objectives	<ul style="list-style-type: none"> • Robust financial governance structure including organisation-wide annual budget process with Board approval sought for annual revenue and capital expenditure budgets • Regular meetings with Scottish Government regarding funding and financial sustainability • Fundraising Strategy is approved by the Board who receive regular updates • Three year savings target across all departments has been set on non-pay expenditure to support longer term financial sustainability

Risk	Impact	Response
Failure to comply with relevant statutory obligations and recognised good practice	May lead to harm to people, disruption to business, significant financial penalties, reputational damage and loss of income	<ul style="list-style-type: none"> • Health and safety policy and procedures approved and in place • Health and safety consultants ensure ongoing and resilient expert support • Health and Safety Group oversees the continuous improvement of health and safety activities • Strategic review of facilities supported by external expertise to ensure an effective facilities management structure • New system for incident reporting • External survey of condition of both hospices undertaken and a five year maintenance plan developed, to which capital and revenue expenditure budgets are linked • External review of statutory compliance as well as a fire safety review which resulted in an updated Fire Evacuation Strategy • Timely year-end process with Annual Report and Accounts published each September • Robust external audit process and implementation of all recommendations made by auditor • Central checklist ensures we meet our statutory reporting obligations • Information management policy and framework in place • Information Management Maturity Model developed and assessed • Independent Virtual Data Protection Officer • Regular review of security and cyber threat landscape in partnership with experts, supplemented with training modules and increased awareness across the organisation • External penetration testing and internal audit of cyber-security arrangements
Failure to effectively inspire the public and engage with key partners	May damage our reputation with stakeholders and reduce all sources of funding	<ul style="list-style-type: none"> • Refined our storytelling and our Christmas 2023 appeal and TV advert focused on precious time • Enhancements to the supporter experience • Fundraising KPIs and financial performance are regularly reviewed and assessed • Public affairs and policy function supports regular external engagement with ministers, civil servants, MSPs, and key NHS partners • Membership of key umbrella groups • Maintaining effective relationships with Scottish Government officials and COSLA
Failure to innovate and change to create sustainable services which meet the needs and expectations of children and families	May impede the delivery of our charitable objectives	<ul style="list-style-type: none"> • Project delivery teams are in place for the workstreams in the Care Services Plan and a programme management team is in place to ensure successful delivery of all priorities • Proactive monitoring and analysis of developments in the external landscape • High levels of family involvement are embedded into strategic design and delivery of our services • New approach to recruitment campaigns • New models of care in home and hospice are being developed as part of the new strategic plan



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 19 August 2024.



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 2024 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 2024 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 other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. 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.

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 Trustees' Responsibilities set out on page 22, 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.

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.

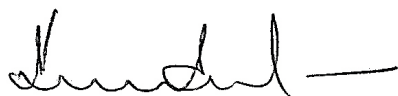
During the planning meeting with the audit team, the engagement partner drew attention to the key areas which might involve non-compliance with laws and regulations or fraud. We enquired of management whether they were aware of any instances of non-compliance with laws and regulations or knowledge of 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 LLP

Statutory Auditors
Edinburgh Quay, 133 Fountainbridge, Edinburgh EH3 9BA

27 August 2024

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

Consolidated Statement of Financial Activities

(incorporating an income and expenditure account)

for the year ended 31 March 2024

	Note	Unrestricted Funds £000	Restricted Funds £000	Totals 2024 £000	Totals 2023 £000
Income:					
<i>Donations and legacies:</i>					
Donations		7,323	327	7,650	6,700
Legacies		2,690	-	2,690	3,801
<i>Trading activities:</i>					
Shop sales and other trading		1,034	-	1,034	845
<i>Income from investments:</i>					
Investment income		697	-	697	602
Interest receivable		142	-	142	55
<i>Income from charitable activities:</i>					
Statutory funding and grant income	3	-	10,393	10,393	10,184
Other income	4	157	-	157	3
Total income		12,043	10,720	22,763	22,190
Expenditure:					
<i>Cost of raising funds:</i>					
Cost of generating voluntary income		(5,232)	-	(5,232)	(4,387)
Cost of goods sold and other trading costs		(1,008)	-	(1,008)	(855)
Investment management costs		(90)	-	(90)	(93)
<i>Cost of charitable activities</i>					
		(6,514)	(10,988)	(17,502)	(17,500)
Total expenditure	5	(12,844)	(10,988)	(23,832)	(22,835)
Net expenditure on operating activities	7	(801)	(268)	(1,069)	(645)
Net (losses)/gains on investments - realised		(8)	-	(8)	(551)
- unrealised	9	1,564	-	1,564	(1,172)
Net income/(expenditure)		755	(268)	487	(2,368)
Other recognised gains					
Remeasurement gains on defined benefit pension scheme	14	-	-	-	13,059
Net movement in funds		755	(268)	487	10,691
Reconciliation of funds					
Funds brought forward	15	39,801	1,513	41,314	30,623
Transfers during year	15	-	-	-	-
Funds carried forward	15	40,556	1,245	41,801	41,314

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 30 to 53 form part of these accounts.

Company Statement of Financial Activities

(incorporating an income and expenditure account)
for the year ended 31 March 2024

	Note	Unrestricted Funds £000	Restricted Funds £000	Totals 2024 £000	Totals 2023 £000
Income:					
<i>Donations and legacies:</i>					
Donations		7,323	327	7,650	6,700
Legacies		2,690	-	2,690	3,801
<i>Trading activities:</i>					
Shop sales and other trading		610	-	610	-
<i>Income from investments:</i>					
Investment income		697	-	697	660
Interest receivable		142	-	142	55
<i>Income from charitable activities:</i>					
Statutory funding and grant income	3	-	10,393	10,393	10,184
Other income	4	209	-	209	116
Total income		11,671	10,720	22,391	21,516
Expenditure:					
<i>Cost of raising funds:</i>					
Cost of generating voluntary income		(5,257)	-	(5,257)	(4,387)
Cost of goods sold and other trading costs		(452)	-	(452)	-
Investment management costs		(90)	-	(90)	(93)
<i>Cost of charitable activities</i>		(6,540)	(10,988)	(17,528)	(17,731)
Total expenditure	5	(12,339)	(10,988)	(23,327)	(22,211)
Net expenditure on operating activities	7	(668)	(268)	(936)	(695)
Net (losses)/gains on investments - realised		(8)	-	(8)	(551)
- unrealised	9	1,564	-	1,564	(1,172)
Net income/(expenditure)		888	(268)	620	(2,418)
Other recognised gains					
Remeasurement gains on defined benefit pension scheme	14	-	-	-	13,059
Net movement in funds		888	(268)	620	10,641
Reconciliation of funds					
Funds brought forward	15	40,201	1,513	41,714	31,073
Transfers during year	15	-	-	-	-
Funds carried forward	15	41,089	1,245	42,334	41,714

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 30 to 53 form part of these accounts.

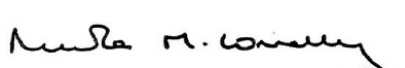
Balance Sheets as at 31 March 2024

	Note	Group		Company	
		2024 £000	2023 £000	2024 £000	2023 £000
Fixed assets					
Tangible assets	8	11,547	11,646	11,586	11,686
Investments	9	23,446	21,837	23,446	21,837
Loan to subsidiary company		-	-	205	-
		34,993	33,483	35,237	33,523
Current assets					
Stock		106	2	106	2
Debtors	11	3,303	1,309	3,383	1,595
Cash at bank and in hand		7,155	8,966	7,103	8,929
		10,564	10,277	10,592	10,526
Creditors					
Amounts falling due within one year	12	(3,270)	(2,098)	(3,009)	(1,987)
		7,294	8,179	7,583	8,539
Net current assets					
Provisions for liabilities	13	(486)	(348)	(486)	(348)
		41,801	41,314	42,334	41,714
Net assets excluding pension deficit					
Defined benefit pension scheme deficit	14	-	-	-	-
		41,801	41,314	42,334	41,714
Net assets including pension deficit					
The funds of the charity:					
Restricted income funds	15	1,245	1,513	1,245	1,513
Unrestricted income funds					
Fixed asset fund		11,547	11,646	11,586	11,686
Rachel House development fund		8,150	5,000	8,150	5,000
Capital investment fund		1,800	-	1,800	-
Service development fund		6,269	8,884	6,269	8,884
General reserve		12,790	14,271	13,284	14,631
Unrestricted income funds excluding pension reserve		40,556	39,801	41,089	40,201
Pension reserve	14	-	-	-	-
		40,556	39,801	41,089	40,201
Total unrestricted funds	15	40,556	39,801	41,089	40,201
Total funds	15	41,801	41,314	42,334	41,714

Approved by the Directors on 19 August 2024



Peta M Hay, Chair



Nicola M Connelly, Director

The notes on pages 30 to 53 form part of these accounts.

Cash Flow Statement
for the year ended 31 March 2024

	Group		Company	
	2024 £000	2023 £000	2024 £000	2023 £000
Net cash (outflow)/inflow from operating activities (i)	(2,143)	2,742	(1,958)	2,582
Returns on investments and servicing of finance				
Investment income	697	602	697	660
Interest received	142	11	142	11
Net cash inflow from returns on investments and servicing of finance	839	613	839	671
Capital expenditure and financial investment				
Payments to acquire tangible fixed assets	(454)	(134)	(449)	(133)
Proceeds of disposal of fixed assets	-	25	-	128
Investments purchased	(3,881)	(5,273)	(3,881)	(5,273)
Investments disposed of	3,828	3,994	3,828	3,994
Loan to subsidiary company	-	-	(205)	-
Net cash outflow from investing activities	(507)	(1,388)	(707)	(1,284)
(Decrease)/increase in cash and cash equivalents (ii)	(1,811)	1,967	(1,826)	1,969

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

	Group		Company	
	2024 £000	2023 £000	2024 £000	2023 £000
Net income/(expenditure)	487	(2,368)	620	(2,418)
Depreciation charge	553	592	549	584
Pension deficit movement	-	(10,796)	-	(10,796)
Remeasurement gains on defined benefit pension scheme	-	13,059	-	13,059
Gain on disposal of tangible fixed assets	-	(15)	-	(24)
Net (gains)/losses on investments	(1,556)	1,723	(1,556)	1,723
Interest receivable and investment income	(839)	(657)	(839)	(715)
Increase in stock	(104)	(2)	(104)	(2)
(Increase)/decrease in debtors	(1,994)	1,595	(1,788)	1,434
Increase/(decrease) in creditors	1,310	(389)	1,160	(154)
Assets transferred from CHAS Trading Limited	-	-	-	(109)
Net cash (outflow)/inflow from operating activities	(2,143)	2,742	(1,958)	2,582

(ii) Analysis of net funds

	Group		Company	
	2024 £000	2023 £000	2024 £000	2023 £000
Cash balances at beginning of year	8,966	6,999	8,929	6,960
(Decrease)/increase in the year	(1,811)	1,967	(1,826)	1,969
Cash balances at end of year	7,155	8,966	7,103	8,929

The notes on pages 30 to 53 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 SCO19724. The Charity meets the definition of a public benefit entity under FRS 102.

The Charity is considered to pass the tests set out in Paragraph 1, Schedule 6 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.

(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	2024	2023
	£000	£000
Statutory funding and grant income		
Scottish Government:		
- Core funding, including top-up	9,300	8,134
- Pension shortfall funding	187	1,187
- Infrastructure services funding	143	143
Scottish Local Authorities:		
- For operation of Rachel and Robin House	763	720
	10,393	10,184

4 Other income

Group	2024	2023
	£000	£000
Unrestricted Funds		
Insurance claim	116	-
Renewable Heat Incentive	24	-
Education income	11	-
Rent from Ardoch Loch Lomond Grazing Sub-Let	6	3
	157	3

Company	2024	2023
	£000	£000
Unrestricted Funds		
Insurance claim	116	-
Rent Charged to Ardoch Loch Lomond Limited	64	50
Interest received on Loan to Ardoch Loch Lomond Limited	18	-
Education income	11	-
Management Fee Charged to Ardoch Loch Lomond Limited	-	66
	209	116

Notes to the Accounts

5 Expenditure

Group	Direct costs £000	Governance costs £000	Support costs £000	Total £000	2023 £000
Cost of raising funds					
Cost of generating voluntary income	4,541	47	644	5,232	4,387
Cost of goods sold and other trading costs:					
- Retail	357	6	89	452	424
- Ardoch Loch Lomond Limited	492	5	59	556	431
Investment management costs	90	-	-	90	93
Cost of charitable activities	13,211	291	4,000	17,502	17,500
	18,691	349	4,792	23,832	22,835
2023	17,765	451	4,619	22,835	
Company					
	Direct costs £000	Governance costs £000	Support costs £000	Total £000	2023 £000
Cost of raising funds					
Cost of generating voluntary income	4,566	47	644	5,257	4,387
Cost of goods sold and other trading costs:					
- Retail	357	6	89	452	-
Investment management costs	90	-	-	90	93
Cost of charitable activities	13,237	291	4,000	17,528	17,731
	18,250	344	4,733	23,327	
2023	17,282	437	4,492	22,211	

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.

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	2024	2023
	£000	£000
Property management	1,462	879
Information services	894	816
Finance	594	629
Communications, advocacy and public relations	576	577
Human resources	542	607
People and strategy	265	-
Executive support	163	174
Learning	154	183
Volunteering	142	214
Other support costs	-	540
	4,792	4,619

Notes to the Accounts

6 Staff costs

	2024	2023
	£000	£000
Salaries	12,657	11,244
Social security costs	1,225	1,189
Pensions	2,268	4,214
	16,150	16,647

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

	2024	2023
£60,001 - £70,000	10	6
£70,001 - £80,000	1	-
£80,001 - £90,000	3	2
£90,001 - £100,000	1	-
£110,001 - £120,000	1	1
£120,001 - £130,000	-	2
£130,001 - £140,000	1	-
£150,001 - £160,000	1	-

This includes 12 senior medical doctors and nursing staff (2023: 6) remunerated on the equivalent of NHS salary scales and pension arrangements. For the above employees, £282,828 (2023: £166,938) was paid to the NHS Pension Scheme (Scotland) and Lothian Pension Fund.

By the end of the year the number of employees was 372 (2023: 327). In addition, there were 804 volunteers who were not remunerated but can claim expenses. The average number of employees was 345, of whom 111 (75 full-time equivalent) were part-time.

The charity considers that its key management personnel comprise the Senior Leadership Team. Total remuneration (including employer's National Insurance and pension contributions) of key management personnel for the year was £825,712 (2023: £812,268).

No remuneration was paid to the Directors in respect of their services to the Charity (2023: nil). Travel expenses paid to Directors was £488 (2023: £120).

Ex gratia payments totalling £18,532 were paid to two employees during the financial year.

7 Net income on operating activities

This is stated after charging:

	2024	2023
	£000	£000
External statutory auditor's remuneration:		
- Audit of these financial statements	23	21
Amounts receivable by external statutory auditor and associates in respect of:		
- Audit of financial statements of subsidiaries pursuant to legislation	5	10
Internal auditor's remuneration	15	3
Indemnity insurance for Directors	2	2
Operating lease rentals – land and buildings	168	158

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 2023	16,451	232	405	1,031	923	1,105	20,147
Additions	96	37	62	36	66	157	454
Disposals	-	-	-	-	-	-	-
Cost / valuation as at 31 March 2024	<u>16,547</u>	<u>269</u>	<u>467</u>	<u>1,067</u>	<u>989</u>	<u>1,262</u>	<u>20,601</u>
Accumulated depreciation as at 1 April 2023	5,580	230	331	787	914	659	8,501
Charge for year	303	4	32	102	12	100	553
Disposals	-	-	-	-	-	-	-
Accumulated depreciation as at 31 March 2024	<u>5,883</u>	<u>234</u>	<u>363</u>	<u>889</u>	<u>926</u>	<u>759</u>	<u>9,054</u>
Net book value at 31 March 2024	<u>10,664</u>	<u>35</u>	<u>104</u>	<u>178</u>	<u>63</u>	<u>503</u>	<u>11,547</u>
Net book value at 31 March 2023	<u>10,871</u>	<u>2</u>	<u>74</u>	<u>244</u>	<u>9</u>	<u>446</u>	<u>11,646</u>

The purposes for which the tangible fixed assets held for charity use at 31 March 2024 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	9,464	-	102	178	-	486	10,230
Fundraising, management and administration	<u>1,200</u>	<u>35</u>	<u>2</u>	<u>-</u>	<u>63</u>	<u>17</u>	<u>1,317</u>
	<u>10,664</u>	<u>35</u>	<u>104</u>	<u>178</u>	<u>63</u>	<u>503</u>	<u>11,547</u>

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 2023	15,297	1,200	232	398	1,031	923	1,102	20,183
Additions	96	-	37	61	36	66	153	449
Disposals	-	-	-	-	-	-	-	-
Cost / valuation as at 31 March 2024	<u>15,393</u>	<u>1,200</u>	<u>269</u>	<u>459</u>	<u>1,067</u>	<u>989</u>	<u>1,255</u>	<u>20,632</u>
Accumulated depreciation as at 1 April 2023	5,581	-	230	327	787	914	658	8,497
Charge for year	303	-	4	30	102	12	98	549
Disposals	-	-	-	-	-	-	-	-
Accumulated depreciation as at 31 March 2024	<u>5,884</u>	<u>-</u>	<u>234</u>	<u>357</u>	<u>889</u>	<u>926</u>	<u>756</u>	<u>9,046</u>
Net book value at 31 March 2024	<u>9,509</u>	<u>1,200</u>	<u>35</u>	<u>102</u>	<u>178</u>	<u>63</u>	<u>499</u>	<u>11,586</u>
Net book value at 31 March 2023	<u>9,716</u>	<u>1,200</u>	<u>2</u>	<u>71</u>	<u>244</u>	<u>9</u>	<u>444</u>	<u>11,686</u>

The purposes for which the tangible fixed assets held for charity use at 31 March 2024 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	9,509	-	-	102	178	-	486	10,275
Fundraising, management and administration	-	1,200	35	-	-	63	13	1,311
	<u>9,509</u>	<u>1,200</u>	<u>35</u>	<u>102</u>	<u>178</u>	<u>63</u>	<u>499</u>	<u>11,586</u>

Notes to the Accounts

9 Fixed asset investments

Group and Company	2024	2023
	£000	£000
Quoted investments at market value at beginning of year	21,837	22,281
Additions during year	3,881	5,273
Disposals during year	(3,836)	(4,545)
	21,882	23,009
Net unrealised gains/(losses)	1,564	(1,172)
Market value at end of year	23,446	21,837
Historical cost at end of year	19,492	19,441

Fixed asset investments are represented by:	2024		2023	
	£000	%	£000	%
UK equities	6,155	26.3	7,230	33.1
Investment and unit trusts	5,407	23.1	7,241	33.2
Overseas equities	8,967	38.2	5,448	24.9
	20,529	87.6	19,919	91.2
Fixed interest securities	2,507	10.7	1,164	5.3
UK debentures and loan stocks	410	1.7	754	3.5
Total managed portfolio	23,446	100.0	21,837	100.0

Notes to the Accounts

10 Subsidiary companies

(a) CHAS Trading Limited

CHAS Trading Limited, a wholly owned subsidiary, is a dormant company. As at 31 March 2023, the activities of the company, together with all contractual and Balance Sheet assets and commitments, were transferred to the parent charitable company as part of a group reconstruction. A summary of its results for the prior year is shown below.

	Income £000	Expenditure £000	Profit 2024 £000	2023 £000
Charity shops	-	-	-	468

(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 2024 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 2024 £000	2023 £000
Ardoch Loch Lomond Limited	505	(637)	(132)	(188)

The net assets of Ardoch Loch Lomond Limited at 31 March 2024 were:

	£000
Fixed assets	7
Debtors	51
Cash at bank	52
Total current assets	103
Creditors: amounts falling due within one year	(392)
Net current liabilities	(289)
Creditors: amounts falling due in more than one year	(205)
Net liabilities	(487)

Included in creditors falling due within one year is an amount of £130,581 (2023: £292,761) due to the Charity. Creditors falling due in more than one year is comprised entirely of a loan granted by the Charity, with a balance outstanding of £205,006 as at 31 March 2024 (2023: £nil).

Notes to the Accounts

11 Debtors

	Group 2024 £000	Group 2023 £000	Company 2024 £000	Company 2023 £000
Taxation refunds	54	19	54	19
VAT	321	163	315	158
Prepayments	246	240	230	233
Sundry debtors	2,647	333	2,618	338
Legacies receivable	35	554	35	554
Amounts due from Ardoch Loch Lomond Limited (note 10)	-	-	131	293
	3,303	1,309	3,383	1,595

12 Creditors: amounts falling due within one year

	Group 2024 £000	Group 2023 £000	Company 2024 £000	Company 2023 £000
Accruals and sundry creditors	2,893	1,609	2,676	1,505
VAT and NI/PAYE payable	377	489	333	482
	3,270	2,098	3,009	1,987

13 Provisions for liabilities

	Group 2024 £000	Group 2023 £000	Company 2024 £000	Company 2023 £000
Dilapidations	486	348	486	348
	486	348	486	348

Movements on dilapidations provision:

	Group 2024 £000	Company 2024 £000
As at 1 April 2023	348	348
Additional provisions in the year	201	201
Utilisation of provision (note 12)	(63)	(63)
As at 31 March 2024	486	486

Notes to the Accounts

13 Provisions for liabilities (continued)

Dilapidations provision

The Group leases a number of properties. During August 2019, an assessment of the expected leasehold 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 2024. The provision above is in respect of leases entered into by the Group expiring on 1 April 2025 or later. The Group has used the same basis to establish the fair value of expected dilapidation costs on leases expiring within one year, and those on tacit relocation. These costs are included within accruals and sundry creditors (note 12).

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 2024, 262 staff were members of the scheme (2023: 236).

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 2023. 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.

Although the actuarial valuation of the Charity's position in the LPF indicates a £9.1 million surplus (2023: £6.6 million), 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. Therefore, it is considered imprudent to recognise any asset related to the pension surplus from the actuarial valuation as at 31 March 2024.

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

Notes to the Accounts

14 Pension schemes (continued)

	2024	2023
	£000	£000
Fair value of assets attributed to the Charity	37,957	34,208
Present value of defined benefit obligation attributed to the Charity	(28,892)	(27,597)
	9,065	6,611
Net surplus on actuarial valuation	(9,065)	(6,611)
Restriction on net surplus recognised as an asset	-	-
Net surplus recognised as an asset in the Balance Sheet	-	-
Changes in the present value of the defined benefit obligation attributed to the Charity are as follows:		
	2024	2023
	£000	£000
Opening defined benefit obligation attributed to the Charity	27,597	42,719
Current service cost	1,563	3,125
Interest cost	1,352	1,219
Contributions paid by members	495	435
Estimated benefits paid	(415)	(273)
Expected closing position	30,592	47,225
Remeasurement gains	(1,700)	(19,628)
	28,892	27,597
Changes in the fair value of assets attributed to the Charity are as follows:		
	2024	2023
	£000	£000
Opening fair value of assets attributed to the Charity	34,208	31,923
Interest income on assets attributed to the Charity	1,664	896
Contributions paid by members	495	435
Contributions paid by the Charity	1,435	1,185
Estimated benefits paid	(415)	(273)
Expected closing position	37,387	34,166
Remeasurement gains	570	42
Closing fair value of assets attributed to the Charity	37,957	34,208
The amounts recognised in expenditure in the Statement of Financial Activities are as follows:		
	2024	2023
	£000	£000
Current service cost	1,563	3,125
Net interest	(312)	323
Contributions paid by the charity in excess of service cost and net interest	184	-
Expenditure recognised in the Statement of Financial Activities	1,435	3,448

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:

	2024	2023
	£000	£000
Changes in financial assumptions	2,126	21,853
Changes in demographic assumptions	766	254
Other experience adjustments	(2,245)	(2,479)
	<hr/>	<hr/>
Actuarial gains	647	19,628
Return on assets attributed to the Charity excluding interest income	1,623	42
	<hr/>	<hr/>
Remeasurement gains on actuarial valuation	2,270	19,670
Restriction on remeasurement gains recognition	(2,270)	(6,611)
	<hr/>	<hr/>
Remeasurement gains recognised in Statement of Financial Activities	-	13,059
	<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:

	2024	2023
	£000	£000
Equities	27,329	24,972
Bonds	6,453	4,789
Property	3,036	2,395
Cash	1,139	2,052
	<hr/>	<hr/>
Fair value of assets attributed to the Charity	37,957	34,208
	<hr/> <hr/>	<hr/> <hr/>

The major assumptions used in this valuation were:

	2024	2023
Rate of increase in salaries	3.25%	3.45%
Rate of increase in pensions in payment and deferred pensions	2.75%	2.95%
Discount rate applied to scheme liabilities	4.85%	4.75%

As at the date of the most recent valuation, the duration of the charity's funded obligations is 22 years.

Life expectancy is based on the Fund's VitaCurves with improvements in line with the CMI 2022 model, with a 25% weighting of 2022 data, a 0% weighting of 2021 (and 2020) data, standard smoothing (Sk7), initial adjustment of 0.25% and a long term rate of improvement of 1.5% p.a. for both males and females. Based on these assumptions, the average future life expectancies at age 65 are summarised below:

	Male	Female
Current pensioners	20.8 years	22.9 years
Future pensioners	21.9 years	24.9 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	2%	688
1 year increase in member life expectancy	4%	1,156
0.1% increase in the salary increase rate	0%	57
0.1% increase in the pension increase rate	2%	644

It is estimated that the Charity will contribute £1,435,000 to this defined benefit scheme in the year ending 31 March 2025.

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 £54.5 billion as at 31 March 2023. 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 2024, normal employer contributions of £829,000 were payable to the NHS Pension Scheme (Scotland) (2023: £708,000) at the rate of 20.9% of pensionable earnings (2023: 20.9%). As at 31 March 2024, 96 staff were members of the scheme (2023: 89) paying between 5.7% and 13.7% of pensionable earnings. The Scottish Government has provided funding to the Charity of £187,000 (2023: £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 2024, five staff (2023: four) were members of the scheme. Normal employer contributions of £4,066 (2023: £2,872) were payable in the year. Ardoch Loch Lomond Limited also contributed £2,314 (2023: £2,225) 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 2023 £000	Income £000	Expenditure £000	Other gains and losses £000	Transfers £000	As at 31 March 2024 £000
Restricted income funds						
Scottish Government - pension shortfall funding	934	187	(330)	-	-	791
Robin House	151	242	(204)	-	-	189
Service development	293	51	(179)	-	-	165
Rachel House	119	34	(53)	-	-	100
The National Lottery Community Fund	15	-	(15)	-	-	-
CHAS at Home	1	-	(1)	-	-	-
Scottish Government - core and one-off top-up funding	-	9,300	(9,300)	-	-	-
Scottish Local Authorities	-	763	(763)	-	-	-
Scottish Government - infrastructure services funding	-	143	(143)	-	-	-
Total restricted income funds	1,513	10,720	(10,988)	-	-	1,245
Unrestricted income funds						
<i>Designated funds:</i>						
Fixed asset fund	11,646	-	-	-	(99)	11,547
Rachel House development fund	5,000	-	-	-	3,150	8,150
Capital investment fund	-	-	-	-	1,800	1,800
Service development fund	8,884	-	-	-	(2,615)	6,269
General reserve	14,271	12,043	(12,844)	1,556	(2,236)	12,790
Pension reserve	-	-	-	-	-	-
Total unrestricted income funds	39,801	12,043	(12,844)	1,556	-	40,556
Total funds	41,314	22,763	(23,832)	1,556	-	41,801

Notes to the Accounts

15 Statement of funds (continued)

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)	-	-	-
Total restricted income funds	397	11,514	(10,398)	-	-	1,513
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)	-
Total unrestricted income funds	30,226	10,676	(12,437)	11,336	-	39,801
Total funds	30,623	22,190	(22,835)	11,336	-	41,314

Notes to the Accounts

15 Statement of funds (continued)

Company	As at 1 April 2023 £000	Income £000	Expenditure £000	Other gains and losses £000	Transfers £000	As at 31 March 2024 £000
Restricted income funds						
Scottish Government - pension shortfall funding	934	187	(330)	-	-	791
Robin House	151	242	(204)	-	-	189
Service development	293	51	(179)	-	-	165
Rachel House	119	34	(53)	-	-	100
The National Lottery Community Fund	15	-	(15)	-	-	-
CHAS at Home	1	-	(1)	-	-	-
Scottish Government - core and one-off top-up funding	-	9,300	(9,300)	-	-	-
Scottish Local Authorities	-	763	(763)	-	-	-
Scottish Government - infrastructure services funding	-	143	(143)	-	-	-
Total restricted income funds	1,513	10,720	(10,988)	-	-	1,245
Unrestricted income funds						
<i>Designated funds:</i>						
Fixed asset fund	11,686	-	-	-	(100)	11,586
Rachel House development fund	5,000	-	-	-	3,150	8,150
Capital investment fund	-	-	-	-	1,800	1,800
Service development fund	8,884	-	-	-	(2,615)	6,269
General reserve	14,631	11,671	(12,339)	1,556	(2,235)	13,284
Pension reserve	-	-	-	-	-	-
Total unrestricted income funds	40,201	11,671	(12,339)	1,556	-	41,089
Total funds	41,714	22,391	(23,327)	1,556	-	42,334

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

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 2024 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.

Notes to the Accounts

15 Statement of funds (continued)

Designated funds comprise the fixed asset fund, Rachel House development fund, capital investment fund and service development fund. 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. The Rachel House development fund (previously the strategic investment fund) represents sums earmarked for the forthcoming major redesign project at this hospice. In addition, the Directors have set aside further reserves to cover other capital projects over the coming three years in the capital investment fund. The service development fund (formerly the operational investment fund) is designated for increased investment in service provision, particularly in the delivery of home care.

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 2024 (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:

	2024	2023
	£000	£000
Land and buildings		
Within one year	184	153
In the second to fifth years inclusive	146	165
In over five years	22	4
	352	322

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 was included as income in these accounts in 2022/23. 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. During the year, the Charity was notified that no strain costs were payable in respect of 2022/23 (2021/22: £62,000).

The Charity may have a strain cost liability for 2023/24. 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, or if indeed that such a liability exists.

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 2024 are represented by:				
Tangible fixed assets	-	-	11,547	11,547
Investments	-	7,227	16,219	23,446
Current assets	1,245	9,319	-	10,564
Current liabilities - falling due within one year	-	(3,270)	-	(3,270)
Provision for liabilities	-	(486)	-	(486)
	<hr/>	<hr/>	<hr/>	<hr/>
Net assets including pension deficit	1,245	12,790	27,766	41,801
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
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)
	<hr/>	<hr/>	<hr/>	<hr/>
Net assets including pension deficit	1,513	14,271	25,530	41,314
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Company				
	Restricted Funds £000	General Reserves £000	Designated Funds £000	Total £000
Fund balances at 31 March 2024 are represented by:				
Tangible fixed assets	-	-	11,586	11,586
Investments	-	7,227	16,219	23,446
Loan to subsidiary company	-	205	-	205
Current assets	1,245	9,347	-	10,592
Current liabilities - falling due within one year	-	(3,009)	-	(3,009)
Provision for liabilities	-	(486)	-	(486)
	<hr/>	<hr/>	<hr/>	<hr/>
Net assets including pension deficit	1,245	13,284	27,805	42,334
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
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)
	<hr/>	<hr/>	<hr/>	<hr/>
Net assets including pension deficit	1,513	14,631	25,570	41,714
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Notes to the Accounts

20 Prior year Statement of Financial Activities

Group	Unrestricted Funds £000	Restricted Funds £000	2023 Total £000
Income:			
Donations and legacies	9,171	1,330	10,501
Trading activities	845	-	845
Income from investments	657	-	657
Income from charitable activities	3	10,184	10,187
	<hr/>	<hr/>	<hr/>
Total income	10,676	11,514	22,190
	<hr/>	<hr/>	<hr/>
Expenditure:			
Cost of raising funds	(5,335)	-	(5,335)
Cost of charitable activities	(7,102)	(10,398)	(17,500)
	<hr/>	<hr/>	<hr/>
Total expenditure	(12,437)	(10,398)	(22,835)
	<hr/>	<hr/>	<hr/>
Net (expenditure)/income on operating activities)	(1,761)	1,116	(645)
	<hr/>	<hr/>	<hr/>
Net losses on investments	(1,723)	-	(1,723)
Remeasurement gains on defined benefit pension scheme	13,059	-	13,059
	<hr/>	<hr/>	<hr/>
Net movement in funds	9,575	1,116	10,691
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Company			
Income:			
Donations and legacies	9,171	1,330	10,501
Income from investments	715	-	715
Income from charitable activities	116	10,184	10,300
	<hr/>	<hr/>	<hr/>
Total income	10,002	11,514	21,516
	<hr/>	<hr/>	<hr/>
Expenditure:			
Cost of raising funds	(4,480)	-	(4,480)
Cost of charitable activities	(7,333)	(10,398)	(17,731)
	<hr/>	<hr/>	<hr/>
Total expenditure	(11,813)	(10,398)	(22,211)
	<hr/>	<hr/>	<hr/>
Net (expenditure)/income on operating activities)	(1,811)	1,116	(695)
	<hr/>	<hr/>	<hr/>
Net losses on investments	(1,723)	-	(1,723)
Remeasurement gains on defined benefit pension scheme	13,059	-	13,059
	<hr/>	<hr/>	<hr/>
Net movement in funds	9,525	1,116	10,641
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>



Keep the joy alive

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 **supportCHAS**

Children's Hospices Across Scotland (known as CHAS) is a Scottish charity, SC019724, regulated by the Scottish Charity Regulator (OSCR).

