



Children's Hospices Across Scotland

# Annual Report and Accounts

2024/25









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## Looking to the future and thankful of the past: our Chair's welcome

The CHAS Board is acutely conscious of our responsibility to build on the critical work started by our founders over 30 years ago, a responsibility brought into sharp focus as we reflected on the huge impact of our founding Trustee, Nancy Blaik, whose life and achievements over many years were celebrated at her funeral in May. That work continues to be delivered every day by the incredible staff and volunteers who support children and families across all of Scotland, day and night, at home, in hospitals and in our hospices.

There are four topics I would like to highlight.

First, and most important, is how CHAS strives to meet the ever-increasing needs and complexity of children and families. 'Unwavering care: Our Strategic Plan' is central to this, and the Board has been delighted to see the great progress made in delivering against this ambitious plan. CHAS, often in partnership with others, continues to expand its service and the number of children and families supported.

A second area of focus for the Board and senior management has been to oversee and develop affordable plans for major capital investment, most significantly in Rachel House but also in Robin House. This will ensure that our hospices are equipped to provide the best possible experience for children and families, and for our staff and volunteers, in future years. Exciting plans for redesign and fundraising have been developed with input from all interested parties, and this will remain a key area of focus in the coming year.

Of course, none of the work that we do would be possible without the amazing financial support that CHAS receives – from government and statutory funders, from corporate partners, from major donors, and from the Scottish public. While our fundraising team has had another record-breaking year, recurring statutory funding continues to be vital as we work towards financial sustainability in providing hospice care for children across Scotland. On behalf of the Board, I would like to express deep gratitude to all our funders and donors. Every donation, whether it is a gift of money or time, has a significant impact on our ability to work towards our ambition that no-one should face the death of their child alone.

The final area I would highlight concerns changes at Board level over the past year. I would like to pay tribute to Peta Hay who stood down after the last AGM following six years as a Trustee, latterly as Chair of the Board, although we continue to benefit from her insight on the Board of Ardoch Loch Lomond. Nicola Connelly and Stephen Reid also recently retired from the Board after eight years as Trustees, both having served as Convenors of our Finance & Audit Committee. CHAS owes a huge debt of gratitude to each of them for their dedication and service as volunteers, and I am particularly grateful to them for their advice and ready assistance as I have assumed the role of Chair and addressed the difficult challenge of replacing them. In that regard, we have been delighted to welcome five new Trustees joining the Board – Nicola Buchanan, Antony Clark, Sean Fitzgerald, Joanne Hamilton and Ed Monaghan. I am most grateful to them for stepping forward. Their collective experience will strengthen the Board as it navigates future opportunities and challenges.

Across the last year I have been privileged to spend time at various events and visits with staff, volunteers and the children and families who are at the heart of everything we do at CHAS, listening to their experience of the organisation. It is truly inspiring to see the great work which is done and the resilience and joy which is shared.

In closing, I would like to express my thanks and gratitude to my fellow trustees, the Senior Leadership Team, and to all staff and volunteers for the dedication, passion and enthusiasm they demonstrate every day in supporting children and families across Scotland.

Donald R Macdonald  
Chair of the Board of Directors





## Who we are

Children's Hospices Across Scotland (CHAS) is a charity providing unwavering care to children who may die young and their families, at every step on this hardest of journeys.

Three children a week die in Scotland from an incurable condition. CHAS works in partnership with Scotland's health and social care providers to ensure hospice and palliative care services are provided for babies, children and young people (aged 0-21 years) and their families across Scotland.

Our ambition is that no-one should face the death of their child alone. Through our partnership working approach across Scotland, we aim to deliver the best children's palliative care possible for children and families, where and when it is needed.

Our strategic plan sets out how we can be there for families every step of the way. All our work supports families in the three critical stages of their journey when they need CHAS:

### **Learning their child is seriously ill and may die young –**

We support families in the early days, after they learn their child is seriously ill and may die young. We help emotionally, clinically and practically.

**Living well** – We help the whole family to live well with complexity, worry and uncertainty. We help them to have fun and to create precious memories.

**Dying well and bereavement** – We help families experience a meaningful goodbye based on choice. We support them in their grief both immediately and for as long as they need our help.

To find out more check out our website at [chas.org.uk](https://chas.org.uk).





## Where we work

We are here for children and families in every part of Scotland no matter where they live. We support families in their homes, in our two hospices and through joint CHAS/NHS teams in all of Scotland's children's hospitals, through the terrifying heartbreak of knowing their child may die young.

We work across the whole of Scotland.

### Hospices

- Robin House Children's Hospice, Balloch
- Rachel House Children's Hospice, Kinross


### Homes

- Our CHAS at Home Team travel across the country to provide care in family homes.

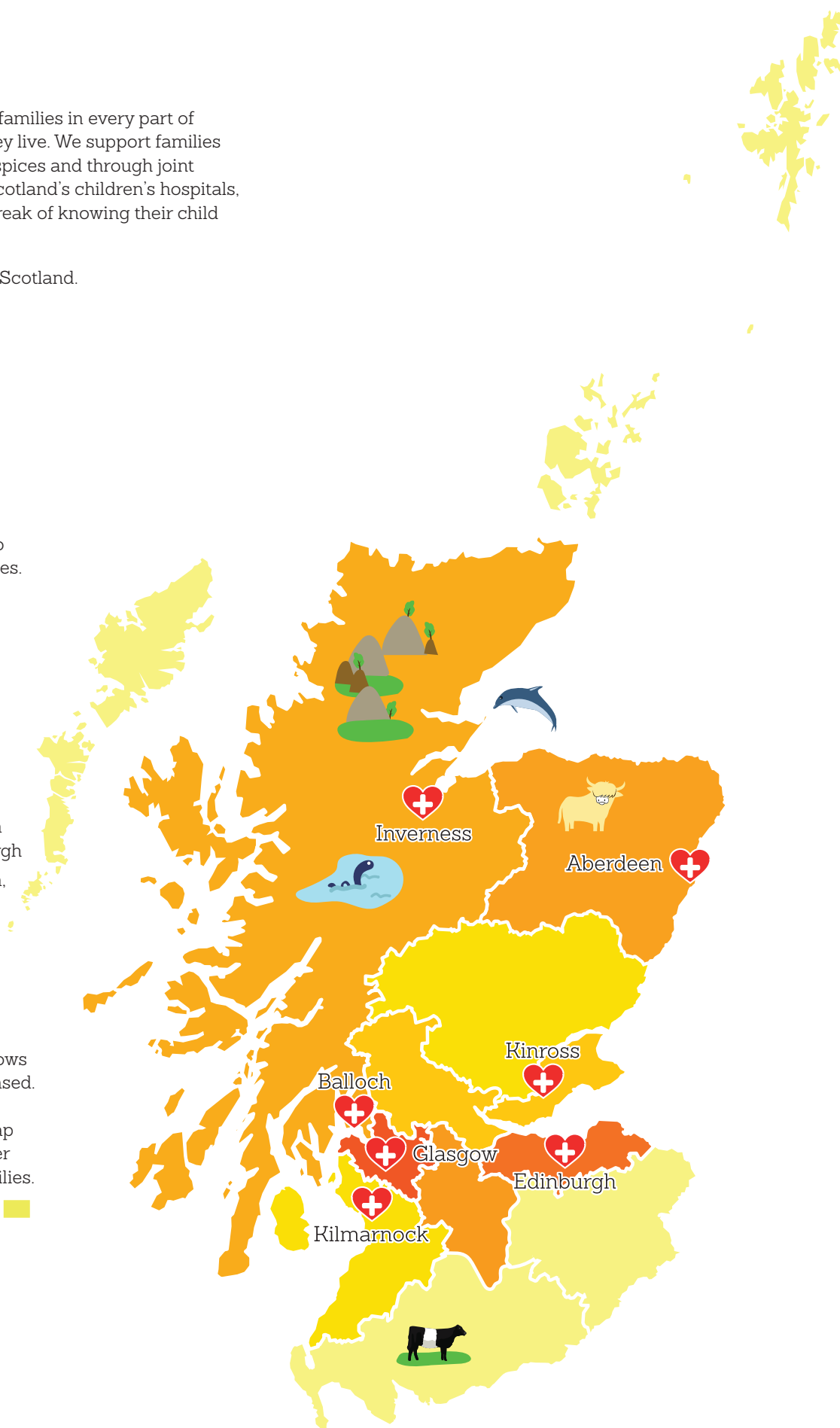
### Hospitals

CHAS has specialist staff based in

- Royal Aberdeen Children's Hospital
- Simpson Centre for Reproductive Health, Edinburgh
- Royal Hospital for Children and Young People, Edinburgh
- Royal Hospital for Children, Glasgow
- Raigmore Hospital, Inverness
- University Hospital Crosshouse, Kilmarnock

 This heart symbol shows where our staff are based.

The darker colours on the map show where we support higher numbers of children and families.





# Trustees Annual Report and Strategic Review



## The Year at a Glance

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 with around **12,000** family  
support interventions

<b>Hospices</b>	<b>801</b> hospice admissions	<b>3,199</b> bed nights for babies, children and young people	<b>157</b> rainbow room bed nights in our hospices	<b>6,211</b> bed nights for their families
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<b>Outreach</b>	<b>1,950</b> visits to family homes	<b>6,398</b> hours of care
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<b>Family Support Team</b>	<b>12,000</b> family support interventions	<b>630</b> individual family members received formal support with hundreds more receiving ongoing intensive informal support	<b>+£1.7 million</b> worth of funding and unclaimed benefits secured for families
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<b>Spiritual Care and Bereavement Support Team</b>	<b>192</b> children and family members formally supported by our Spiritual Care and Bereavement Team	<b>97</b> children accepted to CHAS services for the first time
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## Compassionate Care, Clinical Excellence

CHAS is committed to delivering exceptional care based on giving families and children choice about the care and services they need, wherever they are based.

### In our two hospices

We provide integrated palliative and end of life care as well as respite care for the whole family in two specialist children's hospices, Rachel House in Kinross and Robin House in Balloch.

“

**When we got to Robin House the staff were like real life angels and greeted us with open arms. They made everything so special for us and made us feel like we were at home.**

**We will never forget the love and support we received at Robin House and will always be so grateful for the care they showed our beautiful baby son.**

**Dana Lees, Auley James's mum**

”



***We provide high-quality, safe, and effective care, for children with complex needs.***

We have strengthened our medical team in the hospices, and now have in place two new consultants specialising in Paediatric Palliative Medicine who work across the hospices and the two children's hospitals in Glasgow and Edinburgh providing seamless care, supported by enhanced specialist medical provision in the hospices.

***We are dedicated to making our hospices feel as homely as possible, providing a supported space where families feel comforted, supported and loved.***

This year we have upgraded our facilities at Robin House. The sensory room was refurbished with modern electric equipment, including magic carpets and pod tents, to transport children to provide play therapy and support calmness and relaxation. A new cinema room for children and families has been donated, allowing families to do something many could never imagine doing.

***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, we spent significant time engaging with children and families, and an architectural design team, to develop major plans for the development of Rachel House which is now 30 years old and requires significant capital investment to deliver clinical excellence.





### In homes

We support families in every Scottish local authority area - providing highly skilled nursing and medical care for children in their own homes, often in partnership with local multi-disciplinary teams, as well as emotional and practical support.

“

**Aaron adored the CHAS at Home nurses. They became friends; they understood his sense of humour and he'd get excited when he knew they were visiting.**

**Being able to be where Aaron was, was everything and more. We could say our last goodbyes and know that he wasn't alone. He was tucked in with his dinosaur duvet and hearing the nurses talk to him and play his favourite music, gave us comfort.**

**Rachel Ross, Aaron Ross's mum**

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### High quality care and support in the family home

Our CHAS at Home Team travel all over Scotland to provide a tailored and flexible service to families. The service has expanded in size and remit since the Covid pandemic recognising the benefits of offering a bespoke homecare service to families. This is reflected in the high number of visits. Home Support Volunteers continue to provide practical support in family homes.

### Improving a family's resilience and wellbeing

We piloted a new model of care to explore how Activities volunteers and Nursing Support volunteers can enhance our homecare service. While accompanying a staff member, volunteers will help registered nurses with practical tasks such as moving and handling and personal care, as well as assisting with activities and help in the home.

### In hospitals

There is a joint CHAS/NHS specialist team in every children's hospital in Scotland. We fund Scotland's only specialist Paediatric Palliative Medicine consultants, who work across the hospices and hospitals. This provides for an integrated, multi-agency medical workforce offering seamless support for children and families who travel very frequently between hospices and hospitals and home. Our CHAS Diana Children's Nurses provide specialist support alongside the NHS in Glasgow, Edinburgh and Aberdeen.

“

**Through consultation and working closely with hospital teams across Scotland, we help families access support soon after diagnosis, when they learn that their child is seriously ill and may die young.**

**Partnership working ensures more familiarity for families accessing both hospital and hospice improving continuity of care for the family, the vital work our Diana Children's Nurses carry out also provides earlier integration of palliative care, which focuses on improving the quality of life for children with life-limiting or life-threatening conditions.**

**Dr. Satyajit (Bubu) Ray,  
Consultant in Paediatric Palliative Medicine  
CHAS and NHS Lothian**

”

### We want to provide support sooner after diagnosis.

The CHAS-funded hospital teams supported around 150 children. This means we are reaching more families and are involved earlier in their journey, enabling us to provide them with the essential support they need.





“

**At the hospital, CHAS staff were absolutely amazing. They helped my children do footprints, handprints, pictures and foot casts with Hannah. These have genuinely become a lifeline for my family.**

**Without them, I feel it would be so much harder. We can't have Hannah with us, but we can have memories of her, and this helps remember that she was actually here and she was our baby. These keepsakes also help anyone who didn't get the chance to meet her**

**Katrina Fraser, mum to Hannah Meldrum**

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### **Family support**

The Family Support Team includes social work, income maximisation, energy advice, spiritual and bereavement support, transition to adult services for young people aged 16 – 21 years old, and therapeutic play. For every baby, child or young person that we care for, we also provide crucial support for around four other family members.

### **Families are more resilient and have increased wellbeing**

Our Spiritual Care and Bereavement Team offer personalised support to families whose child has died following a life-shortening condition or who has received end of life care in hospital.

The team helps families in different ways depending on what the family needs and when. One bereaved family and 120 of their extended family and friends were supported by the Spiritual Care and Bereavement Team in the garden of Robin House. The memory walk marked the first anniversary of their son's death. One-to-one and small group bereavement support is offered across Scotland, working closely with local services.

### **Children have a fun childhood**

We believe that children should be able to be children and have fun, no matter how short their life is. Regular visitors to the hospices include clown doctors, music therapists and therapists.

A service evaluation of our partnership with music therapy providers Nordoff Robbins showed that 'quality of life and wellbeing improved for 92%' of participants. Our dedicated Activities Team provides fun and enjoyable activities daily so the children, young people and families have a chance to connect and enjoy shared experiences, coming up with fun and imaginative ways to create special memories. This directly links to their UNCRC rights.

### **Financial distress for families is reduced**

Children with palliative care needs in Scotland are 50% more likely to be living in the most deprived postcodes. A new Financial Wellbeing and Energy Advice Service is in place. The target to save families over £1 million was achieved within six months by ensuring every CHAS family that was referred received an in-depth benefit check and then offered to look at budgeting and any funding requests they needed. Now, with a larger team and up-skilled advisers, CHAS can offer an even better, quality service to families and reduce financial distress.

“

**I've phoned at midnight and during the day and they're always there. If I'm lying awake during the night worrying about something to do with Ayla and need to chat to someone, I know I can phone CHAS - that truly is a lifeline.**

**It's not just medical advice I get from CHAS – the emotional support I receive is invaluable. I have made so many friends and confidantes there over the years and truly cherish those relationships.**

**Caroline Johnstone, mum to Ayla**

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## Partnerships That Put Children First

By working in partnership, we strive to provide seamless care across settings. Our work has demonstrable impact for the NHS, health and social care partnerships, and local authorities: reducing hospital admissions, relieving pressure on primary care, reducing demand on social care services, and supporting the delivery of very complex care.

### Improve specialist palliative care

To help children with complex medical conditions who are deteriorating or at end of life, we have begun hosting a new Clinical Advisory Service designed in conjunction with our NHS partners. A 24-hour national on-call model with CHAS-funded and CHAS-employed doctors provides specialist out of hours advice from a consultant in Paediatric Palliative Medicine to clinicians supporting families whose children are deteriorating or at the end of life in any setting: hospices, NHS hospitals, and the community.

Our Diana Children's Nurses (DCNs) have developed national guidance on the use of just-in-case medication, adapting national guidance on subcutaneous infusion delivery to paediatric needs, with the support of the Scottish Palliative Care Guidelines Group. Our DCNs have delivered education programmes for NHS nurses.

We are collaborating with NHS Golden Jubilee on a skills development programme for staff.

Our Project ECHO Lead, a consultant in paediatric neurodisability, leads a programme of learning sessions on different topics from speakers to build clinical skills and knowledge amongst professionals, including sharing specialist skills across the workforce.

### Looking ahead

To secure the best staff now and for the future, we reach out to aspiring students who plan to pursue a career in medicine. Our student medical placement was highlighted for excellence by the University of St Andrews medical school. Our ANPs delivered teaching sessions at the University of Dundee on pain and symptom management for student nurses. We are also in discussion with NHS Education for Scotland about CHAS hosting resident doctors as part of their training.

We have worked with the Global Treehouse Foundation and contributed to the development of a self-evaluation tool for children's palliative care services to support quality review and improvement across multiple countries. We hosted professional visitors from Malta interested in improving paediatric palliative care.

We are working with the NHS Grampian and the Archie Foundation in Aberdeen to understand from families what they would like from a hospice-type space in the children's hospital, and exploring this model with other NHS partners.

## Amplifying the Voices of Children and Families

Through the latter half of this parliamentary term, CHAS policy and public affairs focus has continued to work hard to ensure that national policy and practice reflects the needs of the children and families we support.

We continue to punch above our weight in terms of impact with MSPs. In 2024, CHAS received the highest 'favourability' score in any of the 100+ organisations that took part in the main survey of its type. MP engagement also ramped up following the July 2024 General Election, with key reserved policy areas like benefits and energy.

Our expertise has helped shape areas of national policy that will have a direct impact on the children and families we support.

We played a leading role in the development of the Scottish Government's palliative care strategy, ensuring it addresses the issues facing babies, children and young people, and provided medical leadership to the core clinical advisory group. Our Medical Director sat on the advisory team for Scottish Government, we hosted a roundtable with the Scottish Government, attended by parents and professionals, highlighting the areas for improvement in transition to adult services. This will inform the Scottish Government's transitions strategy. We joined Marie Curie and other partners in calling for a statutory Right to Palliative Care to be implemented.

Ministerial-level engagement with the Scottish Government remains important, and we welcomed Cabinet Secretary for Health & Social Care Neil Gray MSP to Robin House for a discussion focussed on funding for children's hospices. This formed part of a wider engagement programme designed to secure more sustainable funding for hospices across Scotland. It culminated in significant joint campaigning with adult hospices ahead of the 2024 Scottish Government Budget. This combination of private and public influencing activity secured an important commitment to pay parity with NHS pay awards for hospices, and a £5m budget commitment for 2025/26 to pay for this.

Our Chief Executive spoke to the impact of high energy bills at a roundtable organised by the British Gas Energy Trust and attended by the Energy Minister. Our Chief Executive also gave evidence to the Scottish Parliament's Health & Social Care Committee's Stage 1 inquiry on Assisted Dying, highlighting the ways in which additional safeguards are necessary for young people.





## Engaging Hearts, Growing Impact

Our Joy of Giving Strategy ensures donors and supporters are connected to the difference their donation of money, time or voice makes to the families CHAS supports.

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**The club has been supporting CHAS since 1994 when we started fundraising to build Scotland's first Children's Hospice, Rachel House.**

**For 30 years we have held our Annual CHAS Day - as well as so many of the club getting involved in the weekly bingo nights, making homemade tablet and selling football cards to club members.**

**We know the difference our support makes to CHAS as our local Community Fundraiser comes to our Annual CHAS Day to provide updates on the charity's work. It really motivates the members to continue supporting such a wonderful cause.**

**East Lothian Bowling Club**

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### Our fundraising

No one should face the death of their child alone and our fundraising teams ensure we are able to provide unwavering care to families. It is thanks to our generous donors and supporters we can make plans to grow our reach.

This year we continued to grow fundraising income (donations, legacies and trading). The generous donations received and our investment in fundraising activities led to a record breaking £15.5 million raised in the year, including one-off investment ahead of our plans to redevelop Rachel House.



Our fundraising includes one-off and regular donations from the public, corporate fundraising, philanthropic donations, grant funding from trusts, volunteer groups, events and our shops. This year we have continued a programme of refurbishment across our retail estate and are developing plans for further expansion.

Our fundraising team continue to develop innovative approaches to fundraising, including:

- raising over £135,000 from an auction of Ewan McGregor's whisky
- raising over £39,000 from our Knit Every Day campaign, bringing our knitting total in recent years to £129,000
- partnering with the Order of St John Scotland to raise funds through an open event with the limner and designer of the Elisabeth Sword, part of the Honours of Scotland
- being the charity partner of the Highland and Islands Tourism Awards annual dinner
- building a deeper partnership with Loganair offering experiences, fundraising and free flights for families and staff
- securing a partnership for an Aldi Scotland x CHAS supermarket sweep campaign
- securing a partnership with RBS to be their staff charity for 2025
- We have continued to upgrade our stores with the refurbishment of our second Kinross Shop Bazaar One being completed at the end of February. The team generated an additional £14,000 in sales over the year by holding pop up shops, selling only surplus stock at discounted prices.

Gifts in Wills fund the care of 1 in 6 children at CHAS and are a vital income source. This year we ran our first ever legacy telephone campaign with the results exceeding our expectations. Of 400 calls made, 50% agreed to receive further information about giving in this way. We also took part in a successful national legacy campaign run by Hospice UK.

CHAS is able to use Ardoch Loch Lomond – an estate gifted to CHAS – for income generation. It is a stunning wedding and conference venue that generates income to support our services. Our first wedding fayre in March and a familiarisation event for ten of the top destination management companies in Scotland has led to increased bookings. One destination management attendee said: “Ardoch is a very special place – we will be back and bringing our guests with us.”

Fundraising will be central to supporting the Rachel House redesign project and this year saw significant future pledges from major donors worth over £4 million towards our rebuilding ambition.

Our fundraising campaigns have a bold new approach in format of direct mail and use of AI, supported by radio and digital advertising, social media and PR.

## Media and growing awareness

In 2024/25 our Marketing and Communications Team secured 176m opportunities to learn about CHAS across PR, broadcast and social media. We delivered total media coverage of 1.19k articles leading to average media coverage of 23 pieces a week with positive sentiment towards CHAS. This year we upgraded our website and Content Management System (CMS), refreshing look and feel as well as functionality.

Twice a year we commission market research to better understand public perception around our advertising and our wider organisation. Scores have steadily increased in recent years and the latest round placed CHAS amongst the top performing children's charities in Scotland.

- More people than ever before name CHAS when they're asked to name a Scottish children's charity (15% of Scottish adults up from 10% June 24)
- Over half the population (56%) has heard of CHAS when prompted
- When told about CHAS, 1 in 3 Scottish adults say they are very likely to support us
- More people than ever before said that they'd seen advertising from CHAS in the last month (8%)
- When prompted if they'd seen any CHAS advertising, more people than ever said yes (12%)
- And as a result of our TV ad, more than a quarter of adults said they had donated to CHAS

## People and Culture

### The impact of volunteers

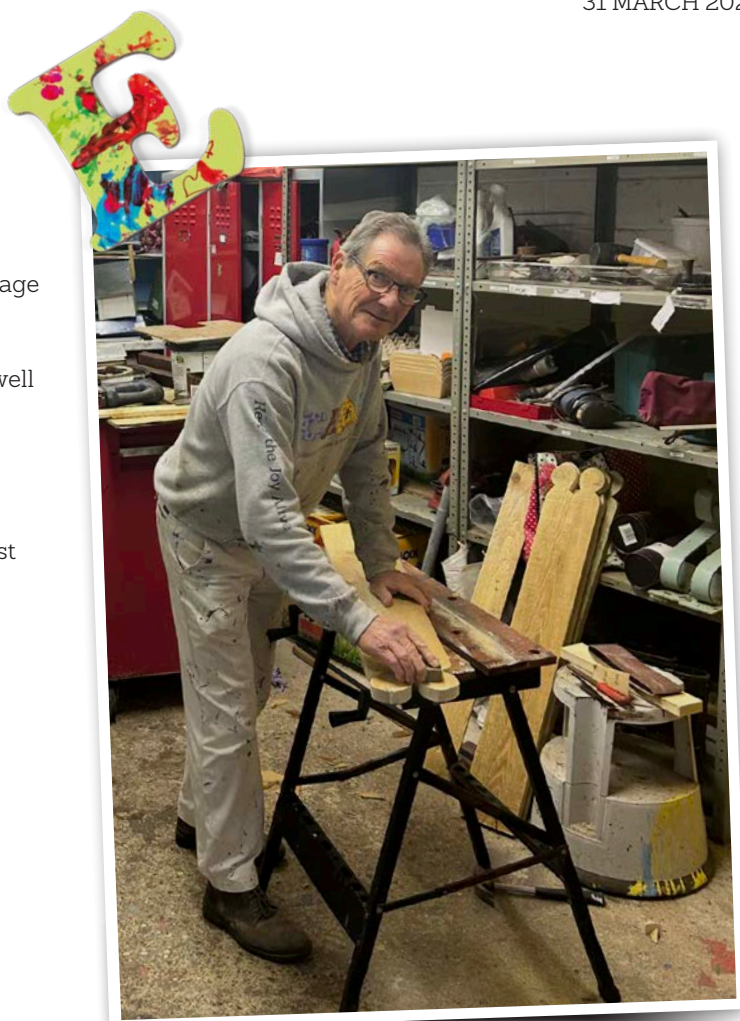
Volunteering is critical to the success of CHAS and volunteers bring a wealth of skills and experience. They enhance and enrich the services we provide. Our goal is to ensure that CHAS delivers the best possible volunteer experience for them.

This year, 860 volunteers gave over 42,000 hours of their time to CHAS - contributing approximately £800,000 in value. An overwhelming 96% told us they enjoy their volunteering, reflecting the deep sense of purpose and connection they find in their roles.

Their support went even further, with many also donating money, shopping in CHAS shops, and inspiring others to give - showing that the impact of volunteering extends beyond the hours that they so generously donate to the organisation.

### Key highlights

We have been re-accredited with the Investing in Volunteers award, which involves rigorous reviews and interviews with over 70 volunteers and staff. CHAS is the first organisation in the UK to achieve the Investing in Volunteers standard for the seventh time. The IiV award is the official UK quality standard for volunteer management and demonstrates our commitment to providing volunteers with exceptional experiences and acknowledging the significant impact they make at CHAS.



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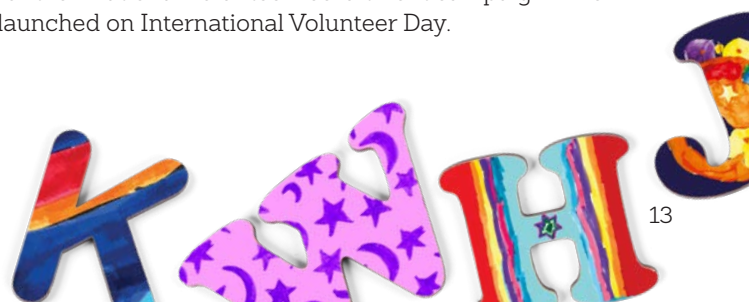
**Volunteering in the garden helps me stay healthy in body and mind. Problems which previously seemed alarming to me are now dismissed as irrelevant now that I have encountered and engaged with the families with children who require the services of CHAS. There is great satisfaction in helping at Robin House, helping to create long lasting memories for the families who use CHAS.**

**Peter Kane, Garden volunteer, Robin House**

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We have implemented new volunteer management software, Assemble, which allows us to communicate better with volunteers, arrange volunteer rotas and events, improve on-boarding, and reduce the administrative processes needed to support people volunteering.

The story of Mary McPhillips, a Letter Writing Volunteer, was selected by Volunteer Scotland, to feature in a film for their national volunteer recruitment campaign which launched on International Volunteer Day.





## Employee Experience

Our people are our greatest asset, and together they shape the future direction of CHAS.

The People and Strategy team vision is to offer the best possible experience for everyone in CHAS, where all our people feel supported and able to perform at their best.

We aim to attract and retain the very best people; our new recruitment processes are speeding up the time from advertisement to hire significantly. We have developed new pre-hire and on-boarding materials to improve the candidate experience.

Our people enable us to provide the best possible care to families, we need to grow our people, and we continue to offer an extensive range of learning and development opportunities. Over the last year we have developed a manager competency framework and manager development pathways which includes a suite of training courses as well as coaching provision.

Staff motivation, engagement and retention is a key focus, so we were delighted that our staff engagement survey highlighted that 87% of staff are proud to work for CHAS, and an increased score for pay and conditions.

Pay – We reviewed job evaluation, introducing a new framework and developed new salary scales which benchmarked across the sectors we compete with. This will help with attracting talent in a competitive job market.

Benefits – We introduced a Cycle to Work scheme and added new benefits to our employee value proposition. This improves our competitiveness with other employers such as the NHS.

Wellbeing – In response to staff feedback and as part of our commitment to being a trauma-informed organisation, we improved our staff wellbeing offering including strengthening clinical supervision for staff and values-based reflective practice for other hospice staff. In addition, we have improved access to counselling and specialist psychological support.

A new Anti-Sexual Harassment Policy was launched in October, pursuant to the Worker Protection (Amendment of Equality Act 2010) Act 2023. Ahead of likely further changes in employment law, we are progressing the introduction of probationary periods for new staff and have introduced mandatory in person training for managers on EDI.

A trauma informed organisation – to deliver outstanding, person-centred care and work collaboratively with colleagues, it's essential that everyone at CHAS understands how trauma can affect people's responses and behaviours. We need to know how to respond in a trauma informed way. We have made our commitment to become a trauma informed organisation by making a public pledge on the National Trauma Transformation Programme, alongside organisations such as Police Scotland, COSLA, and Scottish Government.

## Behind the Scenes, Ahead for Children

### Looking after CHAS Infrastructure and Property

Our Corporate Services team has been central to the development of the Rachel House design project, supporting across the project from conception to readying the planning submission alongside our architect. This is a major project to redesign and improve Rachel House, which is due to start in 2026/27.

At Robin House we are proposing a significant programme of capital repairs. The Wave Form roof at Robin House was successfully replaced in 2024. This was a major project which was completed on-time and on-budget. Beds, sofas and dining chairs have also been replaced to give children and families a welcoming and comfortable area for them to relax in.

Outside of our two hospices work has been carried out to refurbish and modernise our charity shop on 88 High Street, Kinross.

### Statutory Compliance

The Corporate Services team continue to ensure that we are meeting our statutory compliance requirements. We have begun embedding improvements to our health and safety management systems. We have re-constituted our Health and Safety Committee and appointed and trained 15 health and safety reps. This plays a key role in the effective management of health and safety at CHAS and are rolling out wider training.

New processes are in place for recording and reviewing non-hospice accidents, including a new reporting system.

Fire safety arrangements in the hospices have been satisfactorily reviewed by our consultants and the Scottish Fire and Rescue Service. We submitted our ESOS stage 3 report and action plan.

We have designed and started to roll out of a new CAFM (Computer Aided Facilities Management) system.

### Transport

We are in the process of upgrading our vehicle fleet, some of which require costly adaptations to be fit for purpose for a children's hospice. We have upgraded the transport fleet and now have two new pool cars, a CHAS at Home minibus and a new retail van.

## Technology and digital developments

We worked with NHS Greater Glasgow and Clyde to secure access to the Clinical Portal for children across GGC. This will improve real-time clinical information for children in that area and significantly improve patient safety. We are working with the Scottish Government to simplify the wider sharing of data between the NHS and the voluntary sector.

A comprehensive assessment of CHAS data needs was carried out along with a report for recommended actions which will help CHAS better manage data.

An assessment was carried out of the Information Management function and an improvement plan has been developed. The roll out of Business Impact Assessments for core systems has taken place. Preparation work has been carried out along with the roll out of a policy and adoption framework for AI technologies.





## Energy and Carbon Reporting

Our activities provide considerable societal benefits, not least to the children and families that we serve. The Directors are mindful of the need to minimise the environmental impact from our operations as far as practicable. The below table summarises our carbon footprint for the year ended 31 March 2025, together with prior year comparatives:

	Consumption 2025	Conversion Factor (per kg of CO <sub>2</sub> emissions) 2025	CO <sub>2</sub> Emissions (tonnes) 2025	Consumption 2024	Conversion Factor (per kg of CO <sub>2</sub> emissions) 2024	CO <sub>2</sub> Emissions (tonnes) 2024
<b>Utilities</b>						
Gas	1,282,521 kWh	0.183	234.70	1,262,768 kWh	0.183	231.09
Electricity	487,725 kWh	0.177	86.33	604,458 kWh	0.207	125.12
Water	8,065 m <sup>3</sup>	0.157	1.27	6,478 m <sup>3</sup>	0.177	1.15
Waste Water Treatment	7,144 m <sup>3</sup>	0.205	1.46	5,662 m <sup>3</sup>	0.201	1.14
Biomass (wood pellets)	58.82 tonnes	55.19	3.25	52.30 tonnes	51.562	2.70
Other Fuels	1,500 litres	1.557	2.34	8,506 litres	1.855	15.78
<b>Transport</b>						
Owned Fleet	164,864 miles	1.221	201.30	155,825 miles	1.453	226.41
Grey Fleet	355,671 miles	0.260	92.47	356,671 miles	0.266	94.87
<b>Total Carbon Dioxide Equivalent Emissions</b>			<b>623.12</b>			<b>698.26</b>
<b>Carbon Dioxide Equivalent Emissions per full-time equivalent employee</b>			<b>1.92</b>			<b>2.26</b>

We continue to work hard to improve the energy efficiency of our buildings, with initiatives such as the introduction of LED lighting. Our cycle to work scheme, although not affecting the carbon emissions we report, is nonetheless an area in which we are striving towards our organisation having less of an environmental impact. Although there have been increases in mileage undertaken by our owned fleet this has been offset by smaller, newer more efficient vehicles. While some of our operational carbon emissions have reduced, there is an increase in gas consumption. It is hoped this will improve with the introduction of new more efficient boilers. Our aim is to build on this progress in the coming years with improved efficiency, and greater focus on building improvements that improve our sustainability and minimise our carbon footprint.

We continue to work on identifying all practicable mitigations to 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.

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 CHAS 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 run charity shops.

### Registered Office

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

### Board of Directors

The Board of Directors is responsible for the overall governance of CHAS. For the purposes of charity law, the Directors are trustees of the charity.

Directors who served since 1 April 2024 are listed as follows:

Donald R Macdonald (Chair)  
Dr Edward I Doyle (Vice Chair)  
Nigel Q D Barry  
Nicola C Buchanan (appointed 25 June 2025)  
Antony Clark (appointed 11 March 2025)  
Nicola M Connelly  
Gillian S Donald  
Sean A Fitzgerald (appointed 10 March 2025)  
Joanne Hamilton (appointed 19 May 2025)  
Peta M Hay (resigned 19 September 2024)  
Faraz M Hussain  
Dr Deirdre McCormick  
Edmund J Monaghan (appointed 18 March 2025)  
Jacqueline M Pepper  
Stephen Reid  
Sophia D Salim  
Peter J Smyth

### Company Secretary

Stuart Parry

### Board Appointments

Directors are appointed in accordance with the 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. Importantly, 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. No such expenses have been claimed this year.

### 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.

BDO 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, the Rachel House redesign project, cyber security, payroll and general financial controls.

### Board Committees

The Board delegates 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, Faraz M Hussain (from 29 October 2024), Dr Deirdre McCormick, Edmund J Monaghan (from 3 April 2025), Sophia D Salim (until 29 October 2024).



### **Corporate Governance and Risk Committee**

This 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: Gillian S Donald (Convenor), Antony Clark (from 3 May 2025), Peta M Hay (until 19 September 2024), Donald R Macdonald, Peter J Smyth.

### **Finance and Audit Committee**

This Committee ensures 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, Nicola C Buchanan (from 25 March 2025, initially as a co-opted member), Sean A Fitzgerald (from 25 March 2025), Joanne Hamilton (from 25 March 2025, initially as a co-opted member), Faraz M Hussain (until 17 September 2024), Stephen Reid, Sophia D Salim (from 10 December 2024).

### **Rachel House Redesign Steering Committee**

This Committee, formed in late 2023, ensures 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 also oversees the efficient use of resources to achieve the project's goals; and monitors and manages risks that impact the successful completion of each phase of the project. Further, it also maintains regular communication with stakeholders, ensuring that their needs and concerns are considered throughout the process, and ensures that the outline design proposal adheres to all relevant regulatory standards and guidelines.

Committee Members: Dr Edward I Doyle (Convenor), Nicola M Connelly, Gillian S Donald, Donald R Macdonald, Edmund J Monaghan (from 3 April 2025), Gwen P Westgarth (former trustee), Robert Rankin (co-opted member, from 1 June 2025).

### **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**

Dr Annabel P Howell, Medical Director

Morven L MacLean, Director of People and Strategy

Iain W McAndrew, Director of Income Generation and Engagement

Jennifer Rodgers, Director of Nursing and Family Support (from 12 August 2024)

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
- BDO LLP, 2 Atlantic Square, 31 York Street, Glasgow G2 8NJ
- DM Hall Chartered Surveyors, 17 Corstorphine Road, Edinburgh EH12 6DD
- CMS Cameron McKenna Nabarro Olswang LLP, 1 West Regent Street, Glasgow G2 1AP

### **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 strive to continue to pay staff a competitive salary within the boundaries of our financial sustainability.

### ***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. We continue to consult extensively with children, young people and families on the Rachel House redesign project. 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 and our work with the Energy Savings Opportunity Scheme (ESOS) helps CHAS identify areas of improvement.

### ***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. 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**

The Consolidated Statement of Financial Activities for the year ended 31 March 2025 shows that the CHAS group of companies generated net income of £415,000 (2024: £487,000). However, this is the result of some unusual and one-off factors which have mitigated against a long-term gap between expenditure and income.

Total income for the group increased to £26.2 million this year (2024: £22.8 million), despite a £463,000 reduction in statutory funding. Donations income increased to £9.9 million (2024: £7.7 million) supported by £1.2 million in non-recurring donations for capital projects. Growth in community fundraising income, individual giving, and philanthropy also contributed substantially to increased voluntary income.

We are forever grateful and humbled by those who so kindly leave a gift to CHAS in their Will. While legacy income is inherently unpredictable, this year saw a record £4.3 million received (2024: £2.7 million). Legacies enable us to invest in maximising the reach of our services in supporting families throughout Scotland at the most difficult of times.





Our retail operations continue to perform well, with income from our charity shops and associated operations increasing to £667,000 (2024: £610,000) despite temporary closures as we carried out property improvements. We are pleased to report that Ardoch Loch Lomond's turnover also continues to increase and contributed £575,000 (2024: £424,000) to group income.

We are grateful to the Scottish Government for their ongoing support and the £9.1 million contributed to our running costs during the year (2024: £9.6 million). We are also thankful for the financial support of the 32 Scottish Local Authorities, who contributed £787,000 (2024: £763,000) at what remains a challenging time for public finances.

Our professionally managed investment portfolios continued to generate high levels of income last year, with £686,000 received (2024: £697,000). Interest received on bank balances that we manage directly, fell to £113,000 (2024: £142,000).

Total expenditure for the year was £25.4 million (2024: £23.8 million), with the increase predominantly driven by cost pressures around staff pay. During the year we implemented a new salary structure in response to the findings of an externally led pay and grading review to ensure pay rates for our staff are competitive in their respective fields. Following this pay and grading review, our staff costs increased to £18.0 million this year (2024: £16.2 million).

Driven principally by the above pay pressures, our cost of charitable activities increased to £18.9 million (2024: £17.5 million). Costs of generating voluntary income increased only marginally to £5.3 million (2024: £5.2 million) following a period of significant staff changes as our fundraising teams were realigned in readiness for our hospice redesign capital appeal.

With significant unpredictability ingrained into many income streams, our financial sustainability depends on effective cost control and the ongoing identification and delivery of significant efficiency savings. Achieving substantial efficiencies, however, can be challenging in our operating environment without the need to consider service remodelling.

Support costs of £4.7 million (2024: £4.8 million) were allocated against the primary expenditure categories in the Statement of Financial Activities. These are the costs incurred in maintaining the corporate infrastructure required to support the effective operation of our hospice services, including property management, information services, finance, human resources, communications, volunteering, learning and executive support.

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

## Financial Outlook

Notwithstanding the £415,000 net income generated, the financial landscape in which we operate remains challenging, with this year's operating results heavily cushioned by three unusual factors.

The first of these factors was unusually high income from legacies which surpassed budget expectations by £1.7 million. In addition, early major gifts generated £1.1 million in unbudgeted net income for our hospice redesign capital appeal. Finally, there was £481,000 released from provisions following a detailed review and reassessment of our leasehold dilapidation liabilities.

Without the unusual items detailed above, we would have incurred net expenditure of approximately £2.8 million for the year. We expect this underlying structural deficit will be compounded in future years by significant cost pressures, particularly on staff pay, which accounts for almost three quarters of our total expenditure.

The children and young people we support have complex medical diagnoses, and we must attract exceptional nursing and medical staff to provide the specialist care they need. We recruit from a very competitive employment market, dominated by the NHS. It is therefore imperative that our pay rates remain competitive for CHAS to continue to attract the calibre of staff essential in providing a high-quality children's palliative care service for Scotland.

We are acutely mindful of the recent NHS Agenda for Change pay awards of 4.25% and 3.75%, respectively, for the forthcoming two years. With no uplift in recurring statutory funding currently in place to enable CHAS to match this, we are left with the unenviable choice of accepting the additional cost pressure and financial risk that comes with keeping pace with NHS pay; or becoming less competitive in recruitment markets with the significant associated service delivery risks.

Based on our current recurring Scottish Government income of £7 million per annum, CHAS faces deficit budgets greater than £3 million in each of the next three years. The need to invest in our hospice infrastructure, particularly Rachel House, will place additional demands on unrestricted reserves (excluding the fixed asset fund) over the coming years. Maintaining an annual structural deficit of this scale is not sustainable over the medium term.

We are reaching a critical juncture where difficult decisions may need to be made soon. Simply put, the costs of delivering Scotland's children's hospice service are not fully reflected in existing formal statutory funding arrangements. Despite the tremendous efforts of our motivated and experienced fundraisers, voluntary income is unlikely to fully bridge anticipated budget deficits in the short term. Without greater certainty around future statutory funding, we risk having to make service changes that could affect some of Scotland's most vulnerable children and families.

## Reserves

The Directors are mindful of the importance of maintaining our ability to care for the children and families that use our services, some of whom may be supported by CHAS over a period of many years, and the crucial role that financial resilience plays in safeguarding our services for the long term. While this principle continues to inform our reserves policy, the Directors are also cognisant of the need to ensure that our services remain fit for purpose long into the future.

In line with previous years, the Directors carried out an annual review of the reserves policy. The review included detailed external benchmarking of reserves held by comparable charities. Hospices have generally been better capitalised than other parts of the charitable sector, holding an average of approximately nine months of expenditure in reserves. Reserves levels held by CHAS in recent years, however, have significantly exceeded this.

Holding an appropriate level of reserves allows CHAS to confidently maintain services on a multi-year basis and provides important financial resilience against which to better balance our budgeted income and expenditure. It can also provide an important buffer to withstand external cost pressures and absorb capital costs.

Notwithstanding this point, the Directors considered it appropriate to amend the reserves policy such that CHAS should hold unrestricted funds (excluding the fixed asset fund) equivalent to no less than nine months operating expenditure, net of recurring statutory funding. The previous policy position was to hold no fewer than 12 months on the same basis.

On 31 March 2025, the total funds of the group stood at £42.2 million (2024: £41.8 million). This balance comprised £40.1 million of unrestricted funds (2024: £40.6 million) and £2.1 million in restricted funds (2024: £1.2 million). The latter relates to donations received for purposes specified by donors and funders where the related expenditure is pending.

Within unrestricted funds, there are £30.5 million of designated funds (2024: £27.8 million), which have been earmarked by Directors for specific purposes. Our designated funds include the fixed asset fund, totalling £12.1 million (2024: £11.5 million) and largely comprising our owned hospice properties, together with Ardoch Loch Lomond. The Directors designated a further £10.4 million in the Hospice Redevelopment Fund (formerly the Rachel House Development Fund) (2024: £8.2 million) for the purposes of our planned Rachel House redesign and capital works at Robin House. The Directors have also set aside £7.6 million for the ongoing provision of our clinical services in the Service Maintenance Fund (formerly the Service Development Fund) (2024: £6.3 million) and £382,000 in the Capital Works Fund to cover anticipated non-hospice capital investment requirements.

At 31 March 2025, the level of reserves held for the purposes of our reserves policy was £28.0 million (2024: £29.0 million), equating to 19.1 months of expenditure net of recurring statutory funding (2024: 21.7 months). These reserves include the Hospice Redevelopment Fund and the Service Maintenance Fund; and we expect both will be largely depleted by 31 March 2028. By this point, we expect that our reserves held will be substantially closer to the nine months stated policy position.

## Investments

CHAS holds investment portfolios with two separate, independent management firms. Our investment managers operate on a discretionary basis with the objective of maximising a total return, 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, no investments in derivatives, other complex financial instruments, or securities that are not readily realisable, are 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.

Our investments, excluding cash held with our managers, were valued at £23.9 million on 31 March 2025 (2024: £23.4 million). This increase was principally attributable to the managers re-investing income generated by the portfolios, rather than the underlying performance of our investments. The portfolios suffered net losses of £449,000 for the year (2024: £1.6 million gains) as the robust performance of the last two years gave way to concerns around global trade and monetary policy.

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

Our investment portfolios are under the management of:

- Adam & Company Investment Management Limited, 40 Princes Street, Edinburgh EH2 2BY
- LGT Wealth Management, Capital Square, 58 Morrison Street, Edinburgh EH3 8BP

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



## Principal Risks and Uncertainties

The Board is ultimately responsible for the management of risk at CHAS. The principal risks and uncertainties identified for 2024/25, 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"> <li>• Robust clinical and care governance structure</li> <li>• Child Protection Policy rolled out with training</li> <li>• New safer staffing approaches for nursing care</li> <li>• Positive learning and practice education culture</li> <li>• Adverse events reporting system in place and all are reviewed following the national approach</li> <li>• Accelerated Design Event in place to support staff engagement in service design and delivery</li> </ul>
Failure to effectively lead change in service delivery	Inability to lead and execute change will prevent service development, 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"> <li>• Strategic plan in place</li> <li>• Nursing, family support and medical services teams have a targeted action plan to address issues raised in the staff survey</li> <li>• Colleagues to have monthly check in with managers</li> <li>• Positive learning and practice education culture</li> <li>• Programme of team building development days</li> <li>• New medical consultants recruited and in post</li> <li>• Development of new on-call model</li> </ul>
Failure to attract and retain talent (employees)	Poor workforce culture and wellbeing will result in burn-out, high staff turnover and inability to deliver services	<ul style="list-style-type: none"> <li>• Regular, visible, compassionate leadership from the Chief Executive and Senior Leadership Team to discuss organisational direction and vision, celebrate success, share challenges and encourage employee voice</li> <li>• People strategy to deliver effective HR, and Learning and Organisational Development services</li> <li>• New job evaluation framework and salary scales implemented</li> <li>• Clear staff survey response plan to deliver cultural change</li> <li>• Employee Assistance Programme and second-tier interventions in place and actively managed</li> <li>• Manager competency framework and manager development programme to improve the quality of line-management and employee experience</li> <li>• EDI strategy in place</li> <li>• Trauma-informed approach in place</li> <li>• Leadership development plan in place for Nursing and Family Support Team</li> <li>• Regular reporting to Senior Leadership Team through quarterly People Information Report</li> <li>• Robust recruitment and selection processes being developed to ensure cultural fit of candidates within the organisation, reducing turnover of those with 0-1 year of service</li> </ul>



Risk	Impact	Response
Failure to achieve financial sustainability	Insufficient financial resources to meet service demands will impede delivery of our charitable objectives	<ul style="list-style-type: none"> <li>• Effective Finance Team leadership and capacity</li> <li>• Regular meetings throughout the year with budget holders</li> <li>• Robust approach to annual budget setting process</li> <li>• Development of 3 Year Revenue Financial Plan</li> <li>• Development of 3 Year Capital Investment Plan</li> <li>• Fundraising Strategy in place with strong alignment to future for investment</li> <li>• Direct discussions with Scottish Government around sustainable funding</li> </ul>
Failure to maintain our reputation	Failure to maintain our reputation will lead to potential loss of income	<ul style="list-style-type: none"> <li>• Regular brand, propensity/public/political and supporter tracking surveys</li> <li>• Crisis communication strategy in place and robust internal signposting of any potential risk</li> <li>• High-impact brand and storytelling approach in place</li> <li>• Key messaging in place aligned to new CHAS strategy</li> <li>• Supportive marketing and PR strategy in place</li> </ul>
Failure to effectively manage cyber and data risks	Inability to manage cyber and data issues will result in a risk of cyber-attacks, cybercrime, data loss and data breaches	<ul style="list-style-type: none"> <li>• Robust information governance processes</li> <li>• Robust information management</li> <li>• Cyber security training</li> <li>• Self-phishing</li> <li>• Security information and event management</li> <li>• Rigorous patching of all technical infrastructure</li> <li>• Encryption (Endpoint, data at rest and in transit)</li> <li>• Multifactor Authentication</li> <li>• Pen testing and remediation</li> <li>• Dedicated technically competent cyber security team</li> </ul>
Ineffective business continuity planning	Inability to continue business as usual will impede on our service and delivery of charitable objectives	<ul style="list-style-type: none"> <li>• Revised business continuity plans issued for Robin House and Rachel House in December 2024</li> <li>• Business Impact Assessment underway for critical business systems and recovery plans to be developed thereon</li> <li>• Hard Facilities Management business continuity plans in place for hospice sites</li> <li>• Crisis communications strategy in place</li> </ul>
Failure to comply with health and safety statutory good practice	This will result in harm to staff, children and families. This will impede on our charitable objectives and could result in reputational risk and loss of income	<ul style="list-style-type: none"> <li>• Health and safety policy and procedures</li> <li>• Health and safety risk assessments</li> <li>• Regular meetings of Health and Safety Committee</li> <li>• Health &amp; Safety Incident Reporting System and quarterly reporting</li> </ul>
Changes in Government policy	Failure to effectively engage key stakeholders may result in loss of income and charity's voice not being heard	<ul style="list-style-type: none"> <li>• Regular liaison with Scottish Government officials and ministers</li> <li>• Significant engagement with MSPs</li> <li>• Policy and political landscape horizon scanning</li> <li>• Consultation responses</li> <li>• Key internal skills in place</li> <li>• Clear policy position on Assisted Dying Bill</li> <li>• Clear policy position on Right to Palliative Care Bill</li> <li>• Clear messaging and evidence on sustainable funding and funding framework including value of CHAS partnership with NHS</li> <li>• Membership of, and effective engagement with, key bodies to amplify our voice</li> <li>• Continued engagement in developing Scottish Government Palliative Care Strategy</li> </ul>



## **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 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 enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2025, and the Charities (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.

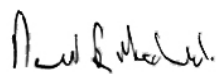
In so far as the trustees are aware:

- 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 18 August 2025.



By order of the Board  
Donald R Macdonald, 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 2025 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 2025 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 24, 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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### **Use of our report**

This report is made solely to the 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  
Level 4, 9 Haymarket Square, Edinburgh EH3 8RY

21 August 2025

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 2025

	Note	Unrestricted Funds £000	Restricted Funds £000	Totals 2025 £000	Totals 2024 £000
<b>Income:</b>					
<i>Donations and legacies:</i>					
Donations		8,314	1,634	<b>9,948</b>	7,650
Legacies		4,298	-	<b>4,298</b>	2,690
<i>Trading activities:</i>					
Shop sales and other trading		1,242	-	<b>1,242</b>	1,034
<i>Income from investments:</i>					
Investment income		686	-	<b>686</b>	697
Interest receivable		113	-	<b>113</b>	142
<i>Income from charitable activities:</i>					
Statutory funding and grant income	3	-	9,930	<b>9,930</b>	10,393
Other income	4	27	-	<b>27</b>	157
<b>Total income</b>		<b>14,680</b>	<b>11,564</b>	<b>26,244</b>	22,763
<b>Expenditure:</b>					
<i>Cost of raising funds:</i>					
Cost of generating voluntary income		(5,283)	-	<b>(5,283)</b>	(5,232)
Cost of goods sold and other trading costs		(1,147)	-	<b>(1,147)</b>	(1,008)
Investment management costs		(99)	-	<b>(99)</b>	(90)
<i>Cost of charitable activities</i>		(8,180)	(10,671)	<b>(18,851)</b>	(17,502)
<b>Total expenditure</b>	5	<b>(14,709)</b>	<b>(10,671)</b>	<b>(25,380)</b>	(23,832)
<b>Net (expenditure)/income on operating activities</b>	7	<b>(29)</b>	<b>893</b>	<b>864</b>	(1,069)
Net gains/(losses) on investments - realised		30	-	<b>30</b>	(8)
- unrealised	9	(479)	-	<b>(479)</b>	1,564
<b>Net (expenditure)/income</b>		<b>(478)</b>	<b>893</b>	<b>415</b>	487
<b>Other recognised gains</b>					
Remeasurement gains on defined benefit pension scheme	14	-	-	<b>-</b>	-
<b>Net movement in funds</b>		<b>(478)</b>	<b>893</b>	<b>415</b>	487
<b>Reconciliation of funds</b>					
Funds brought forward	15	40,556	1,245	<b>41,801</b>	41,314
Transfers during year	15	-	-	<b>-</b>	-
<b>Funds carried forward</b>	15	<b>40,078</b>	<b>2,138</b>	<b>42,216</b>	41,801

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 32 to 55 form part of these accounts.

**Company Statement of Financial Activities**

(incorporating an income and expenditure account)

**for the year ended 31 March 2025**

	Note	Unrestricted Funds £000	Restricted Funds £000	Totals 2025 £000	Totals 2024 £000
<b>Income:</b>					
<i>Donations and legacies:</i>					
Donations		8,314	1,634	<b>9,948</b>	7,650
Legacies		4,298	-	<b>4,298</b>	2,690
<i>Trading activities:</i>					
Shop sales and other trading		667	-	<b>667</b>	610
<i>Income from investments:</i>					
Investment income		686	-	<b>686</b>	697
Interest receivable		113	-	<b>113</b>	142
<i>Income from charitable activities:</i>					
Statutory funding and grant income	3	-	9,930	<b>9,930</b>	10,393
Other income	4	109	-	<b>109</b>	209
<b>Total income</b>		<b>14,187</b>	<b>11,564</b>	<b>25,751</b>	<b>22,391</b>
<b>Expenditure:</b>					
<i>Cost of raising funds:</i>					
Cost of generating voluntary income		(5,384)	-	<b>(5,384)</b>	(5,257)
Cost of goods sold and other trading costs		(460)	-	<b>(460)</b>	(452)
Investment management costs		(99)	-	<b>(99)</b>	(90)
<i>Cost of charitable activities</i>		(8,528)	(10,671)	<b>(19,199)</b>	(17,528)
<b>Total expenditure</b>	5	<b>(14,471)</b>	<b>(10,671)</b>	<b>(25,142)</b>	<b>(23,327)</b>
<b>Net (expenditure)/income on operating activities</b>	7	<b>(284)</b>	<b>893</b>	<b>609</b>	<b>(936)</b>
Net gains/(losses) on investments - realised		30	-	<b>30</b>	(8)
- unrealised	9	(479)	-	<b>(479)</b>	1,564
<b>Net (expenditure)/income</b>		<b>(733)</b>	<b>893</b>	<b>160</b>	<b>620</b>
<b>Other recognised gains</b>					
Remeasurement gains on defined benefit pension scheme	14	-	-	<b>-</b>	-
<b>Net movement in funds</b>		<b>(733)</b>	<b>893</b>	<b>160</b>	<b>620</b>
<b>Reconciliation of funds</b>					
Funds brought forward	15	41,089	1,245	<b>42,334</b>	41,714
Transfers during year	15	-	-	<b>-</b>	-
<b>Funds carried forward</b>	15	<b>40,356</b>	<b>2,138</b>	<b>42,494</b>	<b>42,334</b>

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 32 to 55 form part of these accounts.

## Balance Sheets as at 31 March 2025

		Group		Company	
	Note	2025 £000	2024 £000	2025 £000	2024 £000
<b>Fixed assets</b>					
Tangible assets	8	12,104	11,547	12,086	11,586
Investments	9	23,932	23,446	23,932	23,446
Loan to subsidiary company		-	-	224	205
		<b>36,036</b>	34,993	<b>36,242</b>	35,237
<b>Current assets</b>					
Stock		1	106	1	106
Debtors	11	1,316	3,303	1,321	3,383
Cash at bank and in hand		7,058	7,155	6,958	7,103
		<b>8,375</b>	10,564	<b>8,280</b>	10,592
<b>Creditors</b>					
Amounts falling due within one year	12	(2,118)	(3,270)	(1,951)	(3,009)
<b>Net current assets</b>		<b>6,257</b>	7,294	<b>6,329</b>	7,583
Provisions for liabilities	13	(77)	(486)	(77)	(486)
<b>Net assets excluding pension deficit</b>		<b>42,216</b>	41,801	<b>42,494</b>	42,334
Defined benefit pension scheme deficit	14	-	-	-	-
<b>Net assets including pension deficit</b>		<b>42,216</b>	41,801	<b>42,494</b>	42,334
<b>The funds of the charity:</b>					
<b>Restricted income funds</b>	15	<b>2,138</b>	1,245	<b>2,138</b>	1,245
<b>Unrestricted income funds</b>					
Fixed asset fund		12,104	11,547	12,086	11,586
Hospice redevelopment fund		10,420	8,150	10,420	8,150
Capital works fund		382	1,800	382	1,800
Service maintenance fund		7,571	6,269	7,571	6,269
General reserve		9,601	12,790	9,897	13,284
<b>Unrestricted income funds excluding pension reserve</b>		<b>40,078</b>	40,556	<b>40,356</b>	41,089
Pension reserve	14	-	-	-	-
<b>Total unrestricted funds</b>	15	<b>40,078</b>	40,556	<b>40,356</b>	41,089
<b>Total funds</b>	15	<b>42,216</b>	41,801	<b>42,494</b>	42,334

Approved by the Directors on 18 August 2025

Donald R Macdonald, Chair

Sean A Fitzgerald, Director

The notes on pages 32 to 55 form part of these accounts.



**Cash Flow Statement**  
**for the year ended 31 March 2025**

	<b>Group</b>		<b>Company</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Net cash inflow/(outflow) from operating activities (i)</b>	<b>1,391</b>	<b>(2,143)</b>	<b>1,303</b>	<b>(1,958)</b>
<b>Returns on investments and servicing of finance</b>				
Investment income	<b>686</b>	697	<b>686</b>	697
Interest received	<b>113</b>	142	<b>113</b>	142
	<b>799</b>	839	<b>799</b>	839
<b>Capital expenditure and financial investment</b>				
Payments to acquire tangible fixed assets	<b>(1,352)</b>	(454)	<b>(1,293)</b>	(449)
Investments purchased	<b>(6,165)</b>	(3,881)	<b>(6,165)</b>	(3,881)
Investments disposed of	<b>5,230</b>	3,828	<b>5,230</b>	3,828
Loan to subsidiary company	<b>-</b>	-	<b>(19)</b>	(205)
<b>Net cash outflow from investing activities</b>	<b>(2,287)</b>	(507)	<b>(2,247)</b>	(707)
<b>Decrease in cash and cash equivalents (ii)</b>	<b>(97)</b>	(1,811)	<b>(145)</b>	(1,826)

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

	<b>Group</b>		<b>Company</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Net income	<b>415</b>	487	<b>160</b>	620
Depreciation charge	<b>619</b>	553	<b>617</b>	549
Loss on disposal of tangible fixed assets	<b>176</b>	-	<b>176</b>	-
Net losses/(gains) on investments	<b>449</b>	(1,556)	<b>449</b>	(1,556)
Interest receivable and investment income	<b>(799)</b>	(839)	<b>(799)</b>	(839)
Decrease/(increase) in stock	<b>105</b>	(104)	<b>105</b>	(104)
Decrease/(increase) in debtors	<b>1,987</b>	(1,994)	<b>2,062</b>	(1,788)
(Decrease)/increase in creditors	<b>(1,561)</b>	1,310	<b>(1,467)</b>	1,160
	<b>1,391</b>	(2,143)	<b>1,303</b>	(1,958)

**(ii) Analysis of net funds**

	<b>Group</b>		<b>Company</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Cash balances at beginning of year	<b>7,155</b>	8,966	<b>7,103</b>	8,929
Decrease in the year	<b>(97)</b>	(1,811)	<b>(145)</b>	(1,826)
	<b>7,058</b>	7,155	<b>6,958</b>	7,103

The notes on pages 32 to 55 form part of these accounts.

## Notes to the Accounts

### 1 Accounting policies

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

#### **(a) Basis of preparation**

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

The Statement of Financial Activities and Balance Sheet consolidate the accounts of Children's Hospices Across Scotland (the Charity) and its subsidiary undertakings. The results of the subsidiary undertakings are consolidated on a line by line basis.

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

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

#### **(b) Going concern**

The trustees are of the opinion that the group and parent charitable company can continue to meet their obligations as they fall due. The charitable company has significant reserves and regular income generated from activities and specific grants to continue in operational existence for the foreseeable future. The financial statements have therefore been drawn up on a going concern basis.

#### **(c) Company status**

The Charity is a company limited by guarantee and is registered as a Scottish charity with the Office of the Scottish Charity Regulator under number SC019724. The Charity meets the definition of a public benefit entity under FRS 102.

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

#### **(d) Fund accounting**

Unrestricted funds are either general or designated. General funds are available for use at the discretion of the Directors in furtherance of the general objectives of the Charity and which have not been designated for another purpose. Designated funds are those set aside for particular purposes. The aim and use of each designated fund is set out in note 15.

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

**(e) Income**

Income from shop sales is recognised at the point of sale, which is generally on the receipt of cash.

**(g) Expenditure**

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.

**(i) Fixed assets**

Freehold land and buildings	50 years
Ardoch Loch Lomond	50 years (no depreciation is charged as considered immaterial)
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

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## 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

## Notes to the Accounts

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.

### 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 2024 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

<b>Group and Company</b>	<b>2025</b>	<b>2024</b>
	<b>£000</b>	<b>£000</b>
<b>Statutory funding and grant income</b>		
Scottish Government:		
- Core funding, including top-up	<b>9,000</b>	9,300
- Pension shortfall funding	<b>-</b>	187
- Infrastructure services funding	<b>143</b>	143
Scottish Local Authorities:		
- For operation of Rachel and Robin House	<b>787</b>	763
	<b>9,930</b>	10,393

### 4 Other income

<b>Group</b>	<b>2025</b>	<b>2024</b>
	<b>£000</b>	<b>£000</b>
<b>Unrestricted Funds</b>		
Renewable Heat Incentive	<b>12</b>	24
Education income	<b>6</b>	11
Rent from Ardoch Loch Lomond grazing sub-let	<b>6</b>	6
Interest received on VAT repayments	<b>3</b>	-
Insurance claim	<b>-</b>	116
	<b>27</b>	157
	<b>2025</b>	<b>2024</b>
	<b>£000</b>	<b>£000</b>
<b>Company</b>		
<b>Unrestricted Funds</b>		
Rent charged to Ardoch Loch Lomond Limited	<b>64</b>	64
Interest received on loan and other funds advanced to Ardoch Loch Lomond Limited	<b>36</b>	18
Education income	<b>6</b>	11
Interest received on VAT repayments	<b>3</b>	-
Insurance claim	<b>-</b>	116
	<b>109</b>	209



## Notes to the Accounts

### 5 Expenditure

<b>Group</b>	Direct costs £000	Governance costs £000	Support costs £000	<b>Total £000</b>	2024 £000
<b>Cost of raising funds</b>					
Cost of generating voluntary income	4,496	56	731	<b>5,283</b>	5,232
Cost of goods sold and other trading costs:					
- Retail	331	9	113	<b>453</b>	452
- Ardoch Loch Lomond Limited	608	-	86	<b>694</b>	556
Investment management costs	99	-	-	<b>99</b>	90
<b>Cost of charitable activities</b>	14,786	293	3,772	<b>18,851</b>	17,502
	20,320	358	4,702	<b>25,380</b>	23,832
<b>2024</b>	18,691	349	4,792	23,832	

<b>Company</b>	Direct costs £000	Governance costs £000	Support costs £000	<b>Total £000</b>	2024 £000
<b>Cost of raising funds</b>					
Cost of generating voluntary income	4,597	56	731	<b>5,384</b>	5,257
Cost of goods sold and other trading costs:					
- Retail	338	9	113	<b>460</b>	452
Investment management costs	99	-	-	<b>99</b>	90
<b>Cost of charitable activities</b>	15,134	293	3,772	<b>19,199</b>	17,528
	20,168	358	4,616	<b>25,142</b>	23,327
<b>2024</b>	18,250	344	4,733	23,327	

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 and releases 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.

<b>Group</b>	<b>2025</b>	<b>2024</b>
	<b>£000</b>	<b>£000</b>
Property management	<b>1,042</b>	1,462
Information services	<b>967</b>	894
Finance	<b>753</b>	594
Communications, advocacy and public relations	<b>610</b>	576
Human resources	<b>551</b>	542
People and strategy	<b>226</b>	265
Learning	<b>205</b>	154
Executive support	<b>175</b>	163
Volunteering	<b>173</b>	142
	<b>4,702</b>	4,792

## Notes to the Accounts

### 6 Staff costs

	2025 £000	2024 £000
Salaries	13,964	12,657
Social security costs	1,402	1,225
Pensions	2,591	2,268
	<b>17,957</b>	16,150

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

	2025	2024
£60,001 - £70,000	13	10
£70,001 - £80,000	3	1
£80,001 - £90,000	3	3
£90,001 - £100,000	1	1
£100,001 - £110,000	1	-
£110,001 - £120,000	-	1
£130,001 - £140,000	-	1
£140,001 - £150,000	1	-
£150,001 - £160,000	-	1
£160,001 - £170,000	1	-

This includes 14 senior medical doctors and nursing staff (2024: 12) remunerated on the equivalent of NHS salary scales and pension arrangements and includes payments made through the CHAS payroll in respect of services provided to NHS Boards by medical consultants. For the above employees, £337,783 (2024: £282,828) was paid to the NHS Pension Scheme (Scotland) and Lothian Pension Fund.

By the end of the year the number of employees was 362 (2024: 372). In addition, there were 860 volunteers who were not remunerated but can claim expenses. The average number of employees was 363, of whom 115 (76 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 £859,606 (2024: £825,712).

No remuneration was paid to the Directors in respect of their services to the Charity (2024: nil). Travel expenses paid to Directors was £nil (2024: £488).

Ex gratia payments totaling £30,838 were paid to four employees during the financial year.

### 7 Net income on operating activities

This is stated after charging:

	2025 £000	2024 £000
External statutory auditor's remuneration:		
- Audit of these financial statements	24	23
Amounts receivable by external statutory auditor and associates in respect of:		
- Audit of financial statements of subsidiaries pursuant to legislation	5	5
Internal auditor's remuneration	23	15
Indemnity insurance for Directors	3	2
Operating lease rentals – land and buildings	191	168



## Notes to the Accounts

### 8 Tangible fixed assets

<b>Group</b>	Freehold land and buildings £000	Short leasehold £000	Motor vehicles £000	Hospice equipment £000	Computer equipment £000	Furniture and fittings £000	<b>Total £000</b>
Cost / valuation as at 1 April 2024	16,547	269	467	1,067	989	1,262	<b>20,601</b>
Additions	906	-	102	21	91	232	<b>1,352</b>
Disposals	(255)	-	(107)	-	-	-	<b>(362)</b>
Cost / valuation as at 31 March 2025	<u>17,198</u>	<u>269</u>	<u>462</u>	<u>1,088</u>	<u>1,080</u>	<u>1,494</u>	<b><u>21,591</u></b>
Accumulated depreciation as at 1 April 2024	5,883	234	363	889	926	759	<b>9,054</b>
Charge for year	307	12	62	93	31	114	<b>619</b>
Disposals	(79)	-	(107)	-	-	-	<b>(186)</b>
Accumulated depreciation as at 31 March 2025	<u>6,111</u>	<u>246</u>	<u>318</u>	<u>982</u>	<u>957</u>	<u>873</u>	<b><u>9,487</u></b>
<b>Net book value at 31 March 2025</b>	<b><u>11,087</u></b>	<b><u>23</u></b>	<b><u>144</u></b>	<b><u>106</u></b>	<b><u>123</u></b>	<b><u>621</u></b>	<b><u>12,104</u></b>
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>

The purposes for which the tangible fixed assets held for charity use at 31 March 2025 were as follows:

<b>Group</b>	Freehold land and buildings £000	Short leasehold £000	Motor vehicles £000	Hospice equipment £000	Computer equipment £000	Furniture and fittings £000	<b>Total £000</b>
Purpose:							
Hospice services	9,887	-	119	106	-	596	<b>10,708</b>
Ardoch Loch Lomond, fundraising, management and administration	<u>1,200</u>	<u>23</u>	<u>25</u>	<u>-</u>	<u>123</u>	<u>25</u>	<b><u>1,396</u></b>
	<b><u>11,087</u></b>	<b><u>23</u></b>	<b><u>144</u></b>	<b><u>106</u></b>	<b><u>123</u></b>	<b><u>621</u></b>	<b><u>12,104</u></b>

## Notes to the Accounts

### 8 Tangible fixed assets (continued)

<b>Company</b>	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	<b>Total £000</b>
Cost / valuation as at 1 April 2024	15,393	1,200	269	459	1,067	989	1,255	<b>20,632</b>
Additions	860	-	-	102	21	91	219	<b>1,293</b>
Disposals	(255)	-	-	(107)	-	-	-	<b>(362)</b>
Cost / valuation as at 31 March 2025	15,998	1,200	269	454	1,088	1,080	1,474	<b>21,563</b>
Accumulated depreciation as at 1 April 2024	5,884	-	234	357	889	926	756	<b>9,046</b>
Charge for year	307	-	12	61	93	31	113	<b>617</b>
Disposals	(79)	-	-	(107)	-	-	-	<b>(186)</b>
Accumulated depreciation as at 31 March 2025	6,112	-	246	311	982	957	869	<b>9,477</b>
<b>Net book value at 31 March 2025</b>	<b>9,886</b>	<b>1,200</b>	<b>23</b>	<b>143</b>	<b>106</b>	<b>123</b>	<b>605</b>	<b>12,086</b>
Net book value at 31 March 2024	9,509	1,200	35	102	178	63	499	11,586

The purposes for which the tangible fixed assets held for charity use at 31 March 2025 were as follows:

<b>Company</b>	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	<b>Total £000</b>
Purpose:								
Hospice services	9,886	-	-	119	106	-	596	<b>10,707</b>
Fundraising, management and administration	-	1,200	23	24	-	123	9	<b>1,379</b>
	<b>9,886</b>	<b>1,200</b>	<b>23</b>	<b>143</b>	<b>106</b>	<b>123</b>	<b>605</b>	<b>12,086</b>

## Notes to the Accounts

### 9 Fixed asset investments

<b>Group and Company</b>	<b>2025</b>		<b>2024</b>	
	<b>£000</b>		<b>£000</b>	
Quoted investments at market value at beginning of year	<b>23,446</b>		21,837	
Additions during year	<b>6,165</b>		3,881	
Disposals during year	<b>(5,200)</b>		(3,836)	
	<b>24,411</b>		21,882	
Net unrealised gains/(losses)	<b>(479)</b>		1,564	
Market value at end of year	<b>23,932</b>		23,446	
Historical cost at end of year	<b>21,125</b>		19,492	
Fixed asset investments are represented by:	<b>£000</b>	<b>2025</b>		<b>2024</b>
		<b>%</b>	<b>£000</b>	<b>%</b>
UK equities	<b>5,824</b>	<b>24.3</b>	6,155	26.3
Investment and unit trusts	<b>7,056</b>	<b>29.5</b>	5,407	23.1
Overseas equities	<b>9,332</b>	<b>39.0</b>	8,967	38.2
	<b>22,212</b>	<b>92.8</b>	20,529	87.6
Fixed interest securities	<b>1,323</b>	<b>5.5</b>	2,507	10.7
UK debentures and loan stocks	<b>397</b>	<b>1.7</b>	410	1.7
Total managed portfolio	<b>23,932</b>	<b>100.0</b>	23,446	100.0



## Notes to the Accounts

### 10 Subsidiary companies

#### (a) 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 2025 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 2025 £000	2024 £000
Ardoch Loch Lomond Limited	635	(794)	<b>(159)</b>	(132)

The net assets of Ardoch Loch Lomond Limited at 31 March 2025 were:

	£000
Fixed assets	<b>18</b>
Debtors	<b>75</b>
Cash at bank	<b>101</b>
Total current assets	<b>176</b>
Creditors: amounts falling due within one year	<b>(616)</b>
Net current liabilities	<b>(440)</b>
Creditors: amounts falling due in more than one year	<b>(224)</b>
Net liabilities	<b>(646)</b>

Included in creditors falling due within one year is an amount of £447,826 (2024: £130,581) due to the Charity. This comprises £200,000 drawn down on a formal credit facility provided by the Charity (2024: £nil) and £247,826 due to the Charity through an informal intercompany account (2024: £130,581). An exceptional doubtful debt provision of £368,000 has been made against these balances in the charity's accounts. Creditors falling due in more than one year is comprised entirely of a loan granted by the Charity, with a balance outstanding of £224,192 as at 31 March 2025 (2024: £205,006).

#### (b) 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.

## Notes to the Accounts

### 11 Debtors

	<b>Group 2025 £000</b>	Group 2024 £000	<b>Company 2025 £000</b>	Company 2024 £000
Taxation refunds	<b>239</b>	54	<b>239</b>	54
VAT	<b>292</b>	321	<b>287</b>	315
Prepayments	<b>306</b>	246	<b>284</b>	230
Sundry debtors	<b>141</b>	2,647	<b>93</b>	2,618
Legacies receivable	<b>338</b>	35	<b>338</b>	35
Amounts due from Ardoch Loch Lomond Limited (note 10)	-	-	<b>80</b>	131
	<b>1,316</b>	3,303	<b>1,321</b>	

### 12 Creditors: amounts falling due within one year

	<b>Group 2025 £000</b>	Group 2024 £000	<b>Company 2025 £000</b>	Company 2024 £000
Accruals and sundry creditors	<b>1,797</b>	2,893	<b>1,633</b>	2,676
VAT and NI/PAYE payable	<b>321</b>	377	<b>318</b>	333
	<b>2,118</b>	3,270	<b>1,951</b>	3,009

### 13 Provisions for liabilities

	<b>Group &amp; Company 2025 £000</b>	Group & Company 2024 £000
Dilapidations	<b>77</b>	486
	<b>77</b>	486
Movements on dilapidations provision:		
		<b>Group &amp; Company 2025 £000</b>
As at 1 April 2024		<b>486</b>
Additional provisions in the year		<b>72</b>
Exceptional item - release of provision		<b>(481)</b>
As at 31 March 2025		<b>77</b>

## Notes to the Accounts

### 13 Provisions for liabilities (continued)

#### ***Dilapidations provision***

The Group leases a number of properties and have estimated the expected leasehold dilapidation costs for these properties over the remaining period of each respective lease. This information has been used to establish the fair value of the expected costs as at 31 March 2025. 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 2025, 270 staff were members of the scheme (2024: 262).

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 £13.3 million surplus (2024: £9.1 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 2025.

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

## Notes to the Accounts

### 14 Pension schemes (continued)

	2025 £000	2024 £000
Fair value of assets attributed to the Charity	39,189	37,957
Present value of defined benefit obligation attributed to the Charity	(25,862)	(28,892)
Net surplus on actuarial valuation	13,327	9,065
Restriction on net surplus recognised as an asset	(13,327)	(9,065)
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:

	2025 £000	2024 £000
Opening defined benefit obligation attributed to the Charity	28,892	27,597
Current service cost	1,737	1,563
Interest cost	1,444	1,352
Contributions paid by members	553	495
Estimated benefits paid	(454)	(415)
Expected closing position	32,172	30,592
Remeasurement gains	(6,310)	(1,700)
	25,862	28,892

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

	2025 £000	2024 £000
Opening fair value of assets attributed to the Charity	37,957	34,208
Interest income on assets attributed to the Charity	1,880	1,664
Contributions paid by members	553	495
Contributions paid by the Charity	1,606	1,435
Estimated benefits paid	(454)	(415)
Expected closing position	41,542	37,387
Remeasurement gains	(2,353)	570
Closing fair value of assets attributed to the Charity	39,189	37,957

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

	2025 £000	2024 £000
Current service cost	1,737	1,563
Net interest	(436)	(312)
Contributions paid by the charity in excess of service cost and net interest	305	184
Expenditure recognised in the Statement of Financial Activities	1,606	1,435



## 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:

	2025 £000	2024 £000
Changes in financial assumptions	5,977	2,126
Changes in demographic assumptions	46	766
Other experience adjustments	287	(2,245)
	<hr/>	<hr/>
Actuarial gains	6,310	647
Return on assets attributed to the Charity excluding interest income	(2,353)	1,623
	<hr/>	<hr/>
Remeasurement gains on actuarial valuation	3,957	2,270
Restriction on remeasurement gains recognition	(3,957)	(2,270)
	<hr/>	<hr/>
Remeasurement gains recognised in Statement of Financial Activities	-	-
	<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:

	2025 £000	2024 £000
Equities	27,040	27,329
Bonds	7,838	6,453
Property	3,527	3,036
Cash	784	1,139
	<hr/>	<hr/>
Fair value of assets attributed to the Charity	39,189	37,957
	<hr/> <hr/>	<hr/> <hr/>

The major assumptions used in this valuation were:

	2025	2024
Rate of increase in salaries	3.45%	3.25%
Rate of increase in pensions in payment and deferred pensions	2.75%	2.75%
Discount rate applied to scheme liabilities	5.80%	4.85%

Life expectancy is based on the Fund's VitaCurves with improvements in line with the CMI 2023 model, with a 15% weighting of 2023 (and 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 for the Employer are summarised below:

	Male	Female
Current pensioners	20.8 years	22.9 years
Future pensioners	21.8 years	24.8 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%	572
1 year increase in member life expectancy	4%	1,034
0.1% increase in the salary increase rate	0%	18
0.1% increase in the pension increase rate	2%	570

It is estimated that the Charity will contribute £1,603,000 to this defined benefit scheme in the year ending 31 March 2026.

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 £50.5 billion as at 31 March 2024.

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 2025, normal employer contributions of £994,000 were payable to the NHS Pension Scheme (Scotland) (2024: £829,000) at the rate of 22.5% of pensionable earnings (2024: 20.9%). As at 31 March 2025, 92 staff were members of the scheme (2024: 96) paying between 5.7% and 13.7% of pensionable earnings.

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 2025, seven staff (2024: five) were members of the scheme. Normal employer contributions of £9,782 (2024: £4,066) were payable in the year.

## Notes to the Accounts

### 15 Statement of funds

<b>Group</b>	As at 1 April 2024 £000	Income £000	Expenditure £000	Other gains and losses £000	Transfers £000	<b>As at 31 March 2025 £000</b>
<b>Restricted income funds</b>						
Hospice development	-	1,156	-	-	46	<b>1,202</b>
Pension shortfall funding	791	-	(160)	-	-	<b>631</b>
Robin House	189	402	(306)	-	(4)	<b>281</b>
Rachel House	100	66	(110)	-	(42)	<b>14</b>
Service development	165	10	(165)	-	-	<b>10</b>
Scottish Government - core and one-off top-up funding	-	9,000	(9,000)	-	-	-
Scottish Local Authorities	-	787	(787)	-	-	-
Scottish Government - infrastructure services funding	-	143	(143)	-	-	-
<b>Total restricted income funds</b>	<b>1,245</b>	<b>11,564</b>	<b>(10,671)</b>	<b>-</b>	<b>-</b>	<b>2,138</b>
<b>Unrestricted income funds</b>						
<i>Designated funds:</i>						
Fixed asset fund	11,547	-	-	-	557	<b>12,104</b>
Hospice redevelopment fund	8,150	-	-	-	2,270	<b>10,420</b>
Capital works fund	1,800	-	-	-	(1,418)	<b>382</b>
Service maintenance fund	6,269	-	-	-	1,302	<b>7,571</b>
General reserve	12,790	14,680	(14,709)	(449)	(2,711)	<b>9,601</b>
Pension reserve	-	-	-	-	-	-
<b>Total unrestricted income funds</b>	<b>40,556</b>	<b>14,680</b>	<b>(14,709)</b>	<b>(449)</b>	<b>-</b>	<b>40,078</b>
<b>Total funds</b>	<b>41,801</b>	<b>26,244</b>	<b>(25,380)</b>	<b>(449)</b>	<b>-</b>	<b>42,216</b>

## Notes to the Accounts

### 15 Statement of funds (continued)

<b>Group</b>	As at 1 April 2023 £000	Income £000	Expenditure £000	Other gains and losses £000	Transfers £000	<b>As at 31 March 2024 £000</b>
<b>Restricted income funds</b>						
Scottish Government - pension shortfall funding	934	187	(330)	-	-	<b>791</b>
Robin House	151	242	(204)	-	-	<b>189</b>
Service development	293	51	(179)	-	-	<b>165</b>
Rachel House	119	34	(53)	-	-	<b>100</b>
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)	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total restricted income funds	1,513	10,720	(10,988)	-	-	<b>1,245</b>
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Unrestricted income funds</b>						
<i>Designated funds:</i>						
Fixed asset fund	11,646	-	-	-	(99)	<b>11,547</b>
Rachel House development fund	5,000	-	-	-	3,150	<b>8,150</b>
Capital investment fund	-	-	-	-	1,800	<b>1,800</b>
Service development fund	8,884	-	-	-	(2,615)	<b>6,269</b>
General reserve	14,271	12,043	(12,844)	1,556	(2,236)	<b>12,790</b>
Pension reserve	-	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total unrestricted income funds	39,801	12,043	(12,844)	1,556	-	<b>40,556</b>
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Total funds</b>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	41,314	22,763	(23,832)	1,556	-	<b>41,801</b>
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>



## Notes to the Accounts

### 15 Statement of funds (continued)

<b>Company</b>	As at 1 April 2024 £000	Income £000	Expenditure £000	Other gains and losses £000	Transfers £000	<b>As at 31 March 2025 £000</b>
<b>Restricted income funds</b>						
Hospice development	-	1,156	-	-	46	<b>1,202</b>
Pension shortfall funding	791	-	(160)	-	-	<b>631</b>
Robin House	189	402	(306)	-	(4)	<b>281</b>
Rachel House	100	66	(110)	-	(42)	<b>14</b>
Service development	165	10	(165)	-	-	<b>10</b>
Scottish Government - core and one-off top-up funding	-	9,000	(9,000)	-	-	-
Scottish Local Authorities	-	787	(787)	-	-	-
Scottish Government - infrastructure services funding	-	143	(143)	-	-	-
<b>Total restricted income funds</b>	<b>1,245</b>	<b>11,564</b>	<b>(10,671)</b>	<b>-</b>	<b>-</b>	<b>2,138</b>
<b>Unrestricted income funds</b>						
<i>Designated funds:</i>						
Fixed asset fund	11,586	-	-	-	500	<b>12,086</b>
Hospice redevelopment fund	8,150	-	-	-	2,270	<b>10,420</b>
Capital works fund	1,800	-	-	-	(1,418)	<b>382</b>
Service maintenance fund	6,269	-	-	-	1,302	<b>7,571</b>
General reserve	13,284	14,187	(14,471)	(449)	(2,654)	<b>9,897</b>
Pension reserve	-	-	-	-	-	-
<b>Total unrestricted income funds</b>	<b>41,089</b>	<b>14,187</b>	<b>(14,471)</b>	<b>(449)</b>	<b>-</b>	<b>40,356</b>
<b>Total funds</b>	<b>42,334</b>	<b>25,751</b>	<b>(25,142)</b>	<b>(449)</b>	<b>-</b>	<b>42,494</b>

## 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
<b>Restricted income funds</b>						
Scottish Government - pension shortfall funding	934	187	(330)	-	-	<b>791</b>
Robin House	151	242	(204)	-	-	<b>189</b>
Service development	293	51	(179)	-	-	<b>165</b>
Rachel House	119	34	(53)	-	-	<b>100</b>
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)	-	-	<b>1,245</b>
<b>Unrestricted income funds</b>						
<i>Designated funds:</i>						
Fixed asset fund	11,686	-	-	-	(100)	<b>11,586</b>
Rachel House development fund	5,000	-	-	-	3,150	<b>8,150</b>
Capital investment fund	-	-	-	-	1,800	<b>1,800</b>
Service development fund	8,884	-	-	-	(2,615)	<b>6,269</b>
General reserve	14,631	11,671	(12,339)	1,556	(2,235)	<b>13,284</b>
Pension reserve	-	-	-	-	-	-
Total unrestricted income funds	40,201	11,671	(12,339)	1,556	-	<b>41,089</b>
<b>Total funds</b>	41,714	22,391	(23,327)	1,556	-	<b>42,334</b>

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 2025 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.

Designated funds comprise the fixed asset fund, hospice redevelopment fund, capital works fund and service maintenance fund.

## Notes to the Accounts

### 15 Statement of funds (continued)

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 hospice redevelopment fund (formerly the Rachel House development fund) represents sums earmarked for major capital works at our Rachel House hospice and ongoing capital investment at Robin House. In addition, the Directors have set aside further reserves to cover non-hospice capital projects over the coming three years in the capital works fund (formerly the capital investment fund). The service maintenance fund (formerly the service development fund) represents sums set aside to cover anticipated operating deficits over the forthcoming three year period.

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 2025 (albeit which was not recognised in these accounts), the pension reserve balance is currently nil.

### 16 Commitments

The group had entered into contracts which gave rise to the following capital commitments at the year-end date:

	2025 £000	2024 £000
Contracted but not provided for - capital projects	197	-
	<b>=====</b>	<b>=====</b>

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

	2025 £000	2024 £000
<b>Land and buildings</b>		
Within one year	105	184
In the second to fifth years inclusive	98	146
In over five years	18	22
	<b>=====</b>	<b>=====</b>
	221	352
	<b>=====</b>	<b>=====</b>

### 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 have received interim distributions totaling £950,000 from the estate, with further substantial payments possible. 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 2023/24 (2022/23: £nil).

The Charity may have a strain cost liability for 2024/25. 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

<b>Group</b>	Restricted Funds £000	General Reserves £000	Designated Funds £000	<b>Total £000</b>
<b>Fund balances at 31 March 2025 are represented by:</b>				
Tangible fixed assets	-	-	12,104	<b>12,104</b>
Investments	-	5,559	18,373	<b>23,932</b>
Current assets	2,138	6,237	-	<b>8,375</b>
Current liabilities - falling due within one year	-	(2,118)	-	<b>(2,118)</b>
Provision for liabilities	-	(77)	-	<b>(77)</b>
Net assets including pension deficit	2,138	9,601	30,477	<b>42,216</b>
<b>Fund balances at 31 March 2024 are represented by:</b>				
Tangible fixed assets	-	-	11,547	<b>11,547</b>
Investments	-	7,227	16,219	<b>23,446</b>
Current assets	1,245	9,319	-	<b>10,564</b>
Current liabilities - falling due within one year	-	(3,270)	-	<b>(3,270)</b>
Provision for liabilities	-	(486)	-	<b>(486)</b>
Net assets including pension deficit	1,245	12,790	27,766	<b>41,801</b>
<b>Company</b>	Restricted Funds £000	General Reserves £000	Designated Funds £000	<b>Total £000</b>
<b>Fund balances at 31 March 2025 are represented by:</b>				
Tangible fixed assets	-	-	12,086	<b>12,086</b>
Investments	-	5,559	18,373	<b>23,932</b>
Loan to subsidiary company	-	224	-	<b>224</b>
Current assets	2,138	6,142	-	<b>8,280</b>
Current liabilities - falling due within one year	-	(1,951)	-	<b>(1,951)</b>
Provision for liabilities	-	(77)	-	<b>(77)</b>
Net assets including pension deficit	2,138	9,897	30,459	<b>42,494</b>
<b>Fund balances at 31 March 2024 are represented by:</b>				
Tangible fixed assets	-	-	11,586	<b>11,586</b>
Investments	-	7,227	16,219	<b>23,446</b>
Loan to subsidiary company	-	205	-	<b>205</b>
Current assets	1,245	9,347	-	<b>10,592</b>
Current liabilities - falling due within one year	-	(3,009)	-	<b>(3,009)</b>
Provision for liabilities	-	(486)	-	<b>(486)</b>
Net assets including pension deficit	1,245	13,284	27,805	<b>42,334</b>



## Notes to the Accounts

### 20 Prior year Statement of Financial Activities

<b>Group</b>	Unrestricted Funds £000	Restricted Funds £000	<b>2024 Total £000</b>
<b>Income:</b>			
Donations and legacies	10,013	327	<b>10,340</b>
Trading activities	1,034	-	<b>1,034</b>
Income from investments	839	-	<b>839</b>
Income from charitable activities	157	10,393	<b>10,550</b>
Total income	12,043	10,720	<b>22,763</b>
<b>Expenditure:</b>			
Cost of raising funds	(6,330)	-	<b>(6,330)</b>
Cost of charitable activities	(6,514)	(10,988)	<b>(17,502)</b>
Total expenditure	(12,844)	(10,988)	<b>(23,832)</b>
<b>Net expenditure on operating activities</b>	(801)	(268)	<b>(1,069)</b>
Net gains on investments	1,556	-	<b>1,556</b>
<b>Net movement in funds</b>	755	(268)	<b>487</b>
<b>Company</b>			
<b>Income:</b>			
Donations and legacies	10,013	327	<b>10,340</b>
Trading activities	610	-	<b>610</b>
Income from investments	839	-	<b>839</b>
Income from charitable activities	209	10,393	<b>10,602</b>
Total income	11,671	10,720	<b>22,391</b>
<b>Expenditure:</b>			
Cost of raising funds	(5,799)	-	<b>(5,799)</b>
Cost of charitable activities	(6,540)	(10,988)	<b>(17,528)</b>
Total expenditure	(12,339)	(10,988)	<b>(23,327)</b>
<b>Net expenditure on operating activities</b>	(668)	(268)	<b>(936)</b>
Net gains on investments	1,556	-	<b>1,556</b>
<b>Net movement in funds</b>	888	(268)	<b>620</b>



**Keep the joy alive**

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