

**Annual report and financial statements
For the year ended 31 March 2024**



Tŷ Hafan

Tŷ Hafan – the hospice for children in Wales
www.tyhafan.org
Registered Charity No. 1047912
Company No. 3077406

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1. Trustees' Statement

The trustees confirm that their annual report and the accounts of the Charity and its subsidiaries for the year ending 31 March 2024, have been prepared in accordance with:

- the Companies Act 2006
- the Charities Act 2011
- Tŷ Hafan's Articles of Association
- The Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102).



2. Chairman's Introduction

Ty Hafan exists solely to benefit children with life-shortening conditions and their families in Wales. As we commemorate twenty-five years since our charity was established, we find that the need for the support and services we offer has never been greater. We remain passionately committed to being there for every child who needs us, where and when they need us, and in doing so, we must ensure that we are agile and innovative in how we deliver our services.

With this in mind, the year has seen an increased focus on reaching children and families where and when they need us most: at home, in hospital, or in their local community, as well as at our hospice building in Sully. Wherever the delivery of care and support takes place, our aim is to ensure that a short life is a full life, and services are tailored to meet the individual needs of the child and family.

The range of support we provide is broad, encompassing palliative care and symptom management, play and therapy events, emotional support, "stay and play" hubs, specialist sibling support, and much more besides. When the inevitable happens, we offer end-of-life care and bereavement support and remain there for the family whenever they need us.

The work of Ty Hafan is made possible through the generous donations from the public, who support us in various ways, such as participating in events, playing our popular lottery, making monthly donations, or shopping in our charity shops. The funding necessary to provide our services is derived almost entirely from the income we generate, the fundraising efforts of our supporters, the generosity of our major donors, the contributions and pro-bono support from individuals and business partners, and grants from charitable trusts and foundations. These sources collectively account for 84% of our total annual income.

A special note of gratitude is extended to our steadfast band of committed volunteers who support every aspect of our activities. They help in a wide array of ways including maintaining the hospice grounds for the pleasure of the children and families, underpin our fundraising efforts with a wide range of support, and without whom our retail network would grind to a halt.

We believe that no family should have to face the unimaginable loss of their child alone. There is much to do to ensure that we achieve our bold ambition but when we do so it be as a direct result of the ongoing generosity and support provided by our supporters and the dedication of our staff.

Martin Davies
Chairman

3. Chief Executive's statement

I am pleased to report that 2023/24 – our 25th anniversary year - was a year of recovery for Tŷ Hafan, as the longer-term impacts from the pandemic abated. A far-reaching recruitment campaign and investment in our pay and rewards offer for staff saw an increase in our number of healthcare staff – both nursing and healthcare support workers. This enabled us to slowly build back our hospice service provision and offer residential care support to more families. However, we cannot stand still. Our increasing support offer is against the backdrop of an increasing number of referrals for end-of-life care and symptom management admissions, and these interventions remain a priority for Tŷ Hafan. This report details the depth and breadth of support we offer to children and families, which is always tailored as best we can to their individual needs.

We remain concerned over the continued impact of cost-of-living pressures. The increase in hospice running costs associated to rises in energy and staffing costs means that now more than ever we need to look at new ways of generating income.

We have a diverse income generating portfolio, ranging from our retail stores and charity to lottery, to community fundraising events and corporate partnerships. 2023/24 was a successful year for fundraising within the charity and our amazing supporters continued to show how much they care about the children and families who need Tŷ Hafan's support, with incredible generosity. Over the year we received just 16% of our funding from government sources, and raised the remaining funds (£8.7 million) through voluntary fundraising activity. We remain extremely grateful to all our supporters who continued to show such generosity.

We also remain grateful to our people, who make Tŷ Hafan what it is. Our 200 employees and over 500 volunteers all contribute to the delivery of our vision, purpose and ambition and without the dedication of our teams, we would not be able to provide the services we do to the children and families who need us. We made significant strides in implementing our people and culture plans over the course of the year, and continued to grow our volunteer base and improve our volunteering experience.

Particular thanks also go to our outgoing Chief Executive, Maria Timon Samra, who stood down from her role in early 2024 after almost four years leading the Charity.

At the end of 2023/24, Tŷ Hafan is in a stronger and more stable position to grow and sustainably extend its reach to more children and families who need our support, which we will do with the support, commitment, and partnership of many contributors. Thank you.

Jason Foster

Interim Chief Executive

4. Tŷ Hafan –personalised care and support

Tŷ Hafan offers specialist care and support for children and young people living with life-shortening conditions and their families across Wales. As the children and young people referred to the service are not expected to live beyond 18 years of age, we focus all we do on ensuring a short life is a full life. The support provided is personalised and lifelong. For families, the support extends into bereavement.

Unlike adult hospices where the needs of the adult are often sudden onset, medium to high intensity and short duration, the care and support needs of children and families are more typically for an extended duration, often lasting many years. Many children with a life-shortening condition are diagnosed at birth or in early childhood and live for many years with a range of increasingly complex medical needs.

Families live with the expectation that their child is likely to die and often face into multiple instances of potential end-of-life care. This emotional rollercoaster, alongside the exhausting realities of caring, can prove overwhelming for families.

Tŷ Hafan supports a range of referrals spanning the life journey of a child and family:

- ante-natal referrals (where a complex life-limiting condition is diagnosed before the child is born).
- neonatal referrals (where a baby is born and is not expected to survive more than a short number of days or weeks).
- referrals from the point at which a life-shortening condition is identified, for families to access a wide range of practical, therapy and emotional support services delivered both locally and at the hospice site.
- referrals for the management of specific symptoms as an alternative to a hospital admission.
- referrals for end-of-life care.

Tŷ Hafan's multi-disciplinary care services team includes a consultant, specialist nurses, therapists, family support and play professionals. They work in collaboration with the specialist paediatric palliative care teams and local health board teams to deliver child and family focused palliative care and support. The service model is built on providing the right support, at the right time and in the right place, delivered by the right person or service.

Our service seeks to provide seamless support that flows across organisational and geographical boundaries. The Tŷ Hafan hospice in Sully offers a tranquil experience for families and features bespoke medical equipment, a specialist playground, sensory aids and a hydrotherapy pool. We also offer a range of non-clinical services in the home and in the community, reflecting a greater focus on family wellbeing and care closer to home.

As the needs of children and families change over time, we re-shape our care and support striving to make it available for families when and where it is needed most. Our care is always holistic, focusing on physical, emotional, social, and spiritual needs.

Families live each day with the reality of knowing their child may die young. Our unique understanding of how this impacts every part of their life shapes the care we provide. In all cases, this is tailored and heartfelt and designed to meet the individual needs of a child and family.

Such long periods of illness and extended uncertainty inevitably place a huge strain on family life, so our support is inclusive, encompassing the wider family including parents and siblings. Our support continues after the death of a child, and we are there for bereaved families for as long as they need us.

Care at Tŷ Hafan's hospice

The specialised nursing and clinical care offered at the hospice is agile and targeted to children and families most in need. We are committed to ensuring that any family wishing to access the hospice for end of life care is able to do so and have configured our resourcing to facilitate these, often very short notice, requests. We have seen demand for our compassionate and specialist end of life care increase over the last year and this type of support accounts for a significant amount of our overall care offer. Alongside this we provide a robust symptom management stay offer, supporting children and their families when there is a concern about how well a child's symptoms are being controlled. The increased demand on these specialist services has inevitably impacted on the availability of more routine respite stays. Families are still able to access respite either via a crisis request or by using our short notice cancellation offer and as our staffing resource is strengthened our ability to offer increased access to respite improves. We acknowledge the importance of access to timely and appropriate respite care support for families living with the complexities of a child with a life-shortening condition and continue to advocate on behalf of families to improve access to statutory sources of support.

The hospice building hosts a number of spaces and resources which we offer for the use of families on a drop-in basis as well as the offer of regular hospice based play and therapy events that provide opportunities for families to access a range of support. These spaces include a hydrotherapy pool, sensory rooms and indoor and outdoor play facilities.

Support at or closer to home

An increased focus on family and wellbeing services is reflected in the expansion of the scope and diversity of services delivered at home or closer to home. Through talking with families, we have come to understand how shorter and more local interventions, delivered more frequently, can make a big difference. We recognise that due to our large catchment area (covering South, West, and Mid-Wales) some families find travel to the hospice site unmanageable, so increasingly we are finding ways to take much needed support services to them in their local communities.

The majority of children living with life-shortening conditions live their lives in their local communities. By extending our services into homes and communities, families can receive care and support in a more adaptable manner. Local services tend to be more

accessible, causing less disruption to the family's daily routine, and assist the whole family to be involved.

Families can select from a range of services that include in-person visits at home or accessing services in community hubs and events across our geographical area.

Our 'stay and play' hubs offer meaningful play and engaging activities for children closer to home. Staffed by our experienced family support and play and therapies team they provide a time for enjoyment and diversion within an environment that encourages them to share experiences alongside other children. For parents, it is an opportunity to seek peer support, learn from one another, and exchange experiences. Moreover, it provides a dedicated period to focus on their own wellbeing, allowing access to complementary therapies and family support services.

Care in hospitals

The children we help receive care and support across various settings. We collaborate to ensure our services integrate with hospitals and organisations, to complement the services they offer.

When a child with a life-shortening condition is admitted to hospital, it usually means the child has become more unstable, or a sudden deterioration has occurred. Tŷ Hafan's services work with hospital-based care teams, enhancing the support and providing families a trusted and familiar point of contact at a time when life may feel out of control. In the final days and weeks, our teams will be alongside the family, exploring their wishes for end-of-life care, including arranging a transfer to the hospice if the child, young person or family prefers.

Fostering connections and strengthening self-support

Tŷ Hafan creates a feeling of community that ensures families feel more supported through shared experiences. Many of the families that we support live with the fact that their child's condition is so rare that few other families can understand what this feels like. One way of achieving this has been through a network of 'closed' Facebook groups – an online community of people learning from each other, accessing information, and providing mutual support when things feel tough. This vital service is available for mums, dads, siblings, and our 'squad' of older young people who no longer access Tŷ Hafan's residential services but want to stay in touch with their friends.

Emotional support around the clock

Caring for a child with a life-shortening condition is exhausting for families who have little time to rest while fulfilling their role as parent carers with skill and expertise. Our skilled family support team, comprising of family support workers and family support practitioners, is available around the clock, every day of the year. They provide support in family homes, over the telephone, via video enabled technology, and through one-to-one sessions at the hospice and in local communities. When coping feels over-whelming, they are often the team that identifies the need for additional support.

Support for siblings

The siblings of children with life-shortening conditions face unique challenges themselves. Tŷ Hafan offers specialist support that recognises the impact of this, the

impact on their own childhood, a sense of isolation and loss. We help provide them with opportunities to understand and express their thoughts and feelings as well as develop mechanisms to help them cope and thrive. Sibling support is age appropriate and flexes to meet needs over a lifetime of support. Support is offered at the hospice and closer to home on a one to one basis as well as groups. We help these children enjoy their time with their parents and siblings, devote time to their own wellbeing, and cope with bereavement and beyond.

Practical support

Studies show that the families we meet are more likely to face financial difficulties and find it difficult to access additional support. The role of Tŷ Hafan in signposting and advocating for families in this context is crucial. We use our voice whenever and wherever it is needed to enable the challenges experienced by families to be better understood, and to help identify solutions to make these unfairly difficult lives a little easier.

Transitional care and support

When a young person expected to die in childhood approaches their 18th birthday, there will be cause for celebration, but this is often accompanied by anxiety as they begin the transition from children's services to adult services. Some families describe this time as a 'cliff edge' as they move away from all that is familiar and need to form new relationships with adult services. Tŷ Hafan provides a range of individualised services to make this experience less daunting. A paediatric palliative care consultant and a specialist nurse work across organisational boundaries in collaboration with adult hospices and other specialist teams so that the young person and their family feel safe and supported. Recognising the need for young people to have social opportunities to engage with peers is another important focus for transition support. The team facilitates a number of social events for these young people and for their parents who are also learning to navigate new relationships with their adult children.

Bereavement care

Tŷ Hafan continues to provide support for families after bereavement. At this point our focus turns to supporting families with the unfamiliar experience of bereavement and with the immediate practical decisions they need to make. This support is designed with the individual needs of families in mind, but also includes opportunities for families to come together to remember their children through dedicated events and remembrance services. Bereavement is experienced uniquely, and we are here for families for as long as they need us. Families are always welcome back to the hospice, where children are remembered in memorial services and our memorial pebble garden.

5. Key Facts 2023/ 24

| | |
|--|--------|
| Number of families supported: (including young people 18+): | 389 |
| Total family member beneficiaries: | 1,600 |
| Number of bereaved families supported: | 394 |
| Number of crisis respite nights provided: | 1008 |
| Number of end-of-life care and symptom management stays provided: | 344 |
| Number of community interventions: | 12,572 |



6. Public benefit, vision, purpose and strategic objectives

Having taken Charity Commission guidance into consideration, the board is confident that our Charity meets the public benefit requirements outlined the Charity Act 2011, and that our activities are consistent with our aims and objectives.

We believe that the Charity's vision, mission and strategic objectives enable us to meet the public benefit requirements by delivering a broad range of services free of charge to our beneficiaries.

Vision

A Wales where every child with a life-shortening condition lives a fulfilling life, supported with the compassion and specialist care they and their family need.

Purpose

No family should have to face the unimaginable loss of their child alone. With children and families at the heart of all we do, we provide free care and support in our hospice and in the community, offering a lifeline throughout the child's short life, at end of life, through bereavement and beyond.

Strategic objectives

- Be there for every child who needs us, where and when they need us
- Deliver high quality and compassionate services that meet the needs of the children and families we support
- Drive a values-based culture that attracts, retains and develops a diverse, skilled and engaged team of people
- Sustain and grow a diverse range of income streams that meet our ambition.

7. Funding and fundraising

The financial year 2023/24 was a successful year for fundraising within the charity, and the first year in which we were no longer significantly impacted by the Coronavirus pandemic. Our amazing supporters continued to show how much they care about the children and families who need Tŷ Hafan's support, with incredible generosity.

In 2023/24 we received just 16% of our funding from government sources, and raised the remaining funds (£8.7 million) through voluntary fundraising activity. We are extremely grateful to all of our supporters who continued to show such generosity.

Fundraising events built on the successes seen in the second half of the previous year, with particular success coming from the Cardiff Half Marathon and Welsh 3 Peaks. We continued to see incredible fundraising efforts from the families we have supported and were thrilled to support the Mums v Mountains fundraising challenge which saw a group of Mums supported by Tŷ Hafan take on the Welsh 3 Peaks over a 24 hour period.

Legacy donations from people who remember us with a gift in their will remained high in 2023/24, following significant growth in the previous year. This remains a poignant and important source of funds for Tŷ Hafan, covering the cost of around 28% of our care.

Individual supporters continued to help us by making one-off gifts or giving monthly and this remains a crucial and stable part of our fundraising activities.

Fundraising from businesses continued to see good levels of growth for Tŷ Hafan in 2023/24, with significant donations and fundraising activities from a range of sectors. We continue to focus on building mutually beneficial relationships with businesses – their support is vital in helping us to deliver our mission, but we also aim to play a key role in helping businesses to meet their strategic objectives, too.

Fundraising from community groups, organisations and institutions increased significantly in 2023/24 and we received support from friends groups, schools, universities and community groups all across south Wales, as well as from individuals organising their own fundraising activities.

Income from trusts and foundations continued to grow in 2023/24, with greater focus on securing multi-year funding for key projects.

Financial support from our donors was supported by Tŷ Hafan's commercial activities, which play an important role in enabling the Charity to retain diversified income sources. The Crackerjackpot lottery, wholly owned by Tŷ Hafan, generates a reliable and sustainable source of income for us. Tŷ Hafan's shops allow the Charity to reach across South Wales and both raise funds and increase awareness in the local communities that we serve of the services that we deliver.

Fundraising practices

Tŷ Hafan is registered with the Fundraising Regulator and is committed to the Fundraising Promise and adherence to the Fundraising Code of Practice.

In the course of fundraising, we will inevitably come into contact with people who may be in vulnerable circumstances, including the families of the children we support. Our Ethical Fundraising Policy outlines our commitment to engage carefully and sensitively with vulnerable people.

In 2023/24 we paid third party professional fundraisers to generate funds through regular giving and lottery. Professional fundraising agreements were in place with all third party professional fundraisers which outlined our expectations that those fundraisers comply with the Code of Fundraising Practice. This included ensuring that solicitation statements were made by those fundraisers. We also received funds from local and national corporate partners who provided charitable contributions to us from the sale of their goods or services. For all of these partners, commercial participator agreements were in place.

We are continually looking for ways to improve Tŷ Hafan's fundraising practices and ensure we maintain high standards for fundraising at all times. Listening to and learning from complaints about fundraising is a crucial part of this process. In 2023/24 we received four complaints directly related to our fundraising activities, and two related to retail, all of which were resolved. We were not subject to any complaint investigations through the Fundraising Regulator. We provide details of how to contact us, including our complaints policy and procedure on our website.

8. Our people

Our strategic aim for our people (employees and volunteers) is to drive a values-based culture that attracts, retains and develops a diverse, skilled and engaged team of people. The ability to deliver and develop our services relies on the extensive skills, expertise, and commitment of our people.

Tŷ Hafan employs around 200 employees and over 500 volunteers who all contribute to the delivery of our vision, purpose and ambition. Without the dedication of our teams, we would not be able to provide the services we do to the Children and Families who need us.

Employees

In 2023/24 to support the delivery of our people aim we focused on the continuation of our culture change programme, developing and supporting our people managers, enabling excellent performance and development, and valuing diversity, supporting inclusion and wellbeing.

Our all-staff survey that took place in February 2024 and we were proud to receive an overall engagement score of 84%.

A key priority during the year was to grow our nursing teams to increase our offer. Despite the shortage of paediatric nurses, we welcomed new Nurses to the team which we will continue to build on during the year ahead.

Volunteers

Our volunteers contribute and support Ty Hafan in a variety of ways and roles across the Charity. They are integral to the Charity, and we would not be able to deliver the breadth or range of services without them.

In 2023/24 we continued to develop volunteering at Ty Hafan by introducing new volunteering roles and growing our volunteer base, alongside ensuring those who volunteer for us feel engaged, are making a valuable contribution and have an overall positive volunteering experience with us.

Equality, diversity and inclusion

As an organisation, we are committed to ensuring a supportive and inclusive environment where all employees and volunteers can reach their full potential, where respect and understanding is fostered, and the diversity of people's backgrounds and circumstances is positively recognised and valued. We are committed and have taken proactive steps to eliminating any forms of harassment, victimisation and unlawful discrimination.

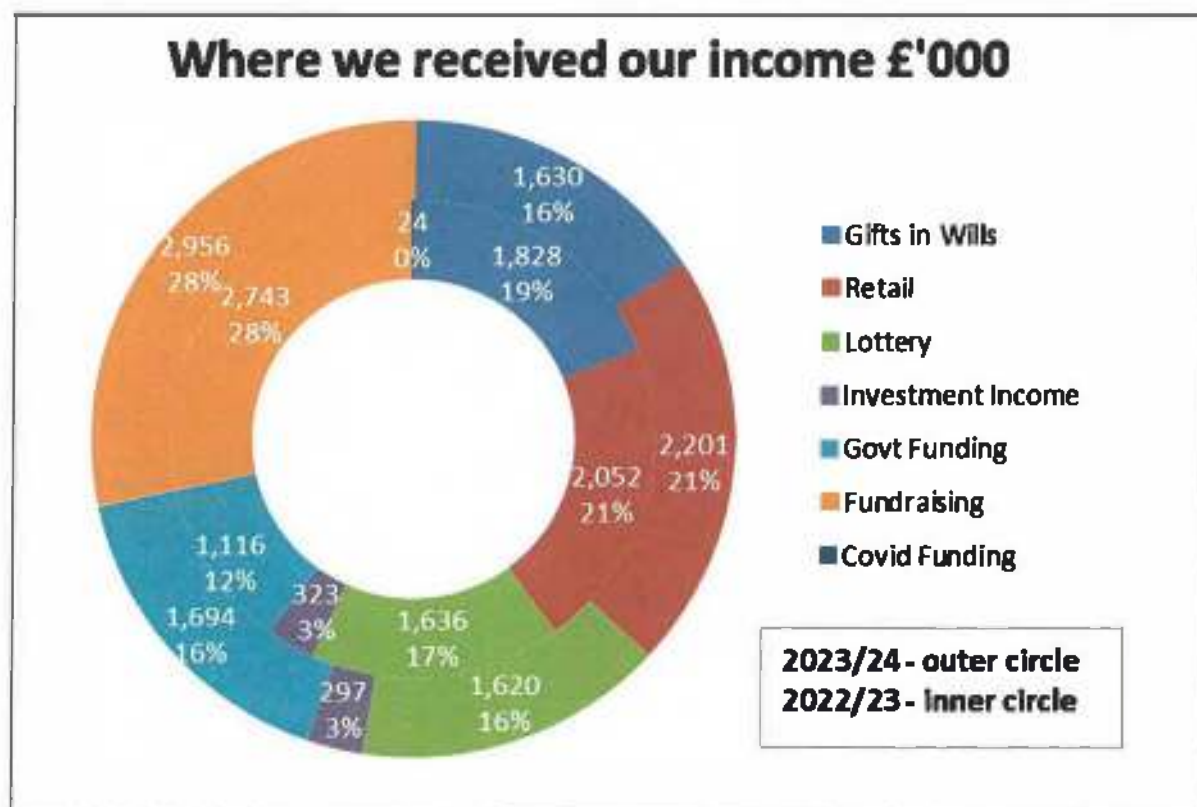
As we recognise the world is changing, and inclusion is imperative to future-proof our workplace, and to realise the many advantages of inclusion and diversity in the workplace, for the year ahead we are commencing a new EDI project and introducing EDI champions to be part of this important work.

9. Financial review and results for the year

Results for the year ended 31 March 2024 are shown in the Consolidated Statement of Financial Activities on page 30. This shows the financial results for Tŷ Hafan and its trading subsidiaries, Tŷ Hafan Trading Limited and Crackerjackpot Limited, which both donate their profits to the Charity.

Income

Total income received in 2023/24 was £10,398,051 (2022/23 £9,722,442). This represents a 7% increase from the previous year.



There was growth in most areas of income generation with the exception of our income from Gifts in Wills which fell by 11%. However, other areas such as Retail and Fundraising both saw year on year growth of 7% and 8% respectively. We also received a one-off payment of £544k from the Welsh Government for a Hospice Cost of Living Grant for 2023/24, which accounts for the uplift in Government Funding for the year.

Summary of Government funding received:

| | 2023/24 | | 2022/23 | |
|---------------------------|--------------|-------------------|--------------|-------------------|
| | £'000 | % of total income | £'000 | % of total income |
| Government Funding | | | | |
| Recurring | 818 | 8% | 807 | 8% |
| Commissioning | 332 | 3% | 299 | 3% |
| One off funding | 544 | 5% | 10 | 0% |
| | 1,694 | 16% | 1,116 | 11% |

Expenditure

Total expenditure in 2023/24 increased by £1,014,804 (+11%) to £10,461,529 (2022/23 £9,446,725). The highest increase in spend was in the provision of care of £607,333 (+12%) resulting from increased services provided at the hospice and in the community and the impact of the cost-of-living increase on our staff costs.

Five year expenditure on charitable activities

Excluding our trading activity in retail and lottery, 78 pence of every pound of expenditure is spent on charitable activity. This is in line with our objective to ensure more of our donations are used directly on our beneficiaries.

Cashflow

Overall, in 2023/24 there was a net cash outflow of £520,414, decreasing the cash held to £788,929 as at 31 March 2024. There was one withdrawal of £500,000 from the investment portfolio during the year.

Reserves

The board considers the maintenance of unrestricted reserves as an essential safeguard to mitigate the risks faced by the Charity and their potential impact on income and planned expenditure. The Charity has a responsibility to give confidence to its beneficiaries that we can provide our services even during times of economic uncertainty.

The board has established the level of reserves using the methodology outlined in the Charity Commission guidance and has considered the level of required reserves based on the assets used in the Charity and the risks to the Charity and likelihood of an event occurring.

The reserves policy is reviewed and agreed each year by the board.

The Charity's reserves are detailed in note 22 and 23 of the accounts.

At 31 March 2024, the Charity held £10,320,497 in unrestricted free reserves (2023: £9,750,718). The reserves were broken down as follow:

| | 31/03/2024 | 31/03/2023 |
|-----------------------------------|--------------------|-------------------|
| Net Assets | £19,887,818 | £18,796,758 |
| Less Designated Reserves | (£8,815,512) | (£8,232,755) |
| Less Restricted Reserves | (£751,809) | (£813,285) |
| Unrestricted Free Reserves | £10,320,497 | £9,750,718 |

Unrestricted free reserves have increased by £569,779 (+6%) during the year. Designated reserves have been increased by £582,757 (+7%) and include a provision for future planned deficits. Designated reserves also include the net book value of property owned by Tŷ Hafan.

Going concern

The Charity's financial position and performance has been outlined in the financial review above. The board has assessed projected future income, expenditure and cash flows, and analysed the strength of the Charity's reserves, liquid assets and its ability to withstand a material fall in income. Consideration has been given to the stability and diversity of various income streams in making this assessment.

The board has concluded that there is a reasonable expectation that Tŷ Hafan and its trading subsidiaries, Tŷ Hafan Trading Limited and Crackerjackpot Limited, have adequate resources to continue activities for the foreseeable future. Therefore, they have continued to adopt the going concern basis in preparing the financial statements.

Approach to financial investments

Decisions about the investment strategy and policy are governed by the finance with governance committee and approved by the board. The investment policy is reviewed annually by the board.

Tŷ Hafan's investment portfolio is managed by investment managers according to the board's instructions. The investment strategy is formally reviewed with our investment managers and finance with governance committee annually and more frequently when considered necessary.

Tŷ Hafan's investment risk appetite for its investment portfolio is consistent with a strategy of seeking to preserve and generate longer term capital growth and income ahead of the rate of inflation in order to grow the free reserves of the Charity. Tŷ Hafan does not depend on investment returns to fund its short-term operational requirements and is, therefore, able to tolerate short to medium term volatility of its investment portfolio.

The total value of the investment portfolio as at 31 March 2024 was £13,369,313 (2023: £12,476,891) representing an overall increase in value for the year of £892,422 (+7%, 2023: -3%).

During the year, there was a withdrawal of £500,000 from the portfolio (2023: no withdrawal).

The board recognises it has a responsibility to consider any ethical implications of its investments. This could lead to conflicting objectives between delivering the targeted returns and excluding certain investments that go against Tŷ Hafan's ethos and purpose.

It is, therefore, Tŷ Hafan's policy to use a negative screening approach avoiding investment in companies or sectors undertaking a particular activity or operating in a way which may be harmful to Tŷ Hafan's interests. This is reviewed annually alongside the investment policy review.

10. Structure, governance and management

Tŷ Hafan is a registered charitable company limited by guarantee, which operates an independent hospital and runs a lottery. It is subject to company law, charity law, trust law and bound by legislation governing the safe delivery of healthcare. As a result of its activities, Tŷ Hafan is accountable to a range of regulators:

- the Charity Commission
- Healthcare Inspectorate Wales (HIW)
- the Fundraising Regulator
- the Gambling Commission

We're also registered with government departments e.g., HMRC, Companies House, local authority services and other bodies, e.g., ICO, usually governed by self-assessment of compliance with regulations and/or filing annual returns.

The board of directors is legally responsible for financial probity, legal and regulatory compliance, and the Charity's registration as a private voluntary hospital under the Independent Healthcare (Wales) Regulations 2011.

The board, as the accountable body, governs Tŷ Hafan through its constitution. Tŷ Hafan's Articles of Association, Scheme of Governance (including Standing Orders, Matters Reserved for Board, and Scheme of Delegation) and Statement of Purpose form the Charity's governance framework for implementing the Charity's strategic objectives, monitoring progress, and managing the Charity's activities effectively, honestly, prudently, safely, transparently, and without personal gain.

Trustee recruitment and development

A code of conduct ensures trustees continue to act within their designated authority to deliver the Charity's objectives for the long-term benefit of the Charity's beneficiaries. They are obligated to fulfil their duties, both individually and collectively, in alignment with the Charity's constitution and charity law.

In line with best practice and the Charity Governance Code, the board continuously seeks to augment the diversity of its skillset through a continuous succession plan. Trustees are subject to an interview process, probationary period, due diligence checks and induction to ensure they become effective members of the board, working in the best interest of the Charity. Trustees play an engaged role, volunteering their time and support freely. They contribute the benefit of their professional expertise, and collaborate to protect and develop the Charity in a heavily regulated environment.

Trustees are eligible to serve a maximum tenure of eight years and can be proposed for re-election upon completion of their initial four-year term. The chair is eligible to serve 3 terms of 4 years. The board and senior executives of Tŷ Hafan are outlined in the 'reference and administrative details' section of the accounts.

Delegation

Specific authority is delegated to the chairman, committees, and the chief executive, however, the board retains ultimate accountability for the Charity's operations, financial

integrity, adherence to legal and regulatory standards, and its independent hospital registration.

Setting the Charity's long-term objectives, the board entrusts the chief executive, responsible for operational functions, with translating these goals into a strategic framework and a business plan to be executed by the executive team.

The board oversees the Charity's management and convenes regularly to receive reports from its committees, executive directors, and the board's officers.

Committees

The board benefits from the support of four standing committees, and various ad hoc committees, with specific remits to scrutinise the management of the Charity's operations. Each committee comprises a chair and members selected by the nominations committee, and executive directors act as advisors to the board. The standing committees are:

- Clinical governance committee, upholding excellence in clinical care by monitoring the quality of safeguarding and care service delivery.
- Finance with governance committee examines financial, fiduciary and investment matters, as well as the Charity's governance arrangements.
- Directorate and operations committee, which considers operational management and fundraising activity.
- Remuneration committee reviews issues relating to staff financial compensation, and terms, conditions and benefits.

The nominations committee convenes as necessary to ensure the establishment of an efficient board responsible for governing the Charity with financial integrity and transparency. This committee scrutinises the composition and performance of the board, oversees rigorous recruitment and succession strategies, and verifies the board's adherence to the Charity's governing documents and policy framework.

Pay structure

Ensuring fairness and equity in pay, the board maintains a transparent process for setting salaries within the Charity, considering affordability, economic indicators, and competitiveness. This involves an annual review that benchmarks each paid role within the Charity against similar positions in comparable organisations. Recommendations for annual pay awards are evaluated by the remuneration committee and, if endorsed, require approval from the board. Remuneration for the executive team, including the chief executive, is reviewed separately and approved by the board.

Subsidiary companies

As disclosed in note 16 to the financial statements, Tŷ Hafan owns two subsidiaries, Tŷ Hafan Trading Limited and Crackerjackpot Limited, which are independently governed and gift surplus funds to the Charity.

11. Managing risk and uncertainties

Tŷ Hafan undertakes a wide range of activities, which includes the provision of specialist paediatric palliative care within a hospice environment, operating a chain of retail shops, organising fundraising and marketing activity, and delivering mass participation events activities, as well as delivering regulated gambling through the Charity's subsidiary, Crackerjackpot.

The extensive scope of these activities necessitates a comprehensive and methodical approach to risk and uncertainty to protect the Charity's people and resources while effectively achieving its charitable objectives.

Tŷ Hafan's risk management framework, as part of our risk management policy, is central to Tŷ Hafan's Scheme of Governance and is based upon the principles of BSI ISO 31000 and COSO Enterprise Risk Management framework. The aim is to integrate the risk management policy in the Charity's business planning processes enabling trustees to comply with the regulatory requirement to publicly account for the effectiveness of the Charity's risk management processes.

Process of risk management

The executive team and risk management group routinely scrutinise the corporate risk register to verify the presence of adequate control measures for identified risk. Each risk is accompanied by recommended actions, designated to an owner with the aim of reducing the likelihood of its occurrence or mitigating its potential consequences. These recommendations undergo scrutiny by relevant committees and are subsequently presented to the board for approval at least on a six-monthly basis.

Risk mitigation measures are central to the Charity's business plan while addressing external factors such as economic, environmental and geopolitical crises. This involves continuous assessment and adoption of additional management controls while reinforcing the Charity's governance structure. Below were the primary strategic risks to delivering the business plan in 2023/24, each capable of adversely affecting the Charity's reputation – experienced across wider charitable sectors:

- challenging economic conditions impacting financial resilience and sustainability
- inability to achieve contribution targets due to the cost-of-living crisis and poor fundraising performance/resource capacity
- staff shortages impacting the Charity's ability to continue providing charitable services.

The board is satisfied that risk management is regularly assessed to ensure that actions and controls are effective and ensure that the Charity remains compliant and works to best practice in caring for children and their families.

Tŷ Hafan is not aware of any principal uncertainties as at 31 March 2024, nor in the period before signing the annual report and accounts.

12. Reference and administrative details

| | |
|---------------------------|---|
| Registered Company Number | 3077406 |
| Registered Charity Number | 1047912 |
| Registered Office | Tŷ Hafan, Hayes Road, Sully, CF64 5XX |
| Auditors | Bevan Buckland LLP, Swansea |
| Principal Solicitors | Hutchinson Thomas, Swansea |
| Principal Bankers | HSBC Plc, Cardiff, Barclays Bank, Cardiff |
| Investment Managers | Brewin Dolphin Investment Managers |

The Board

The following were appointed during the period or are currently registered as non-executive directors and trustees:

| | |
|-------------------|---------------------------|
| Martin Davies | Chairman of the board |
| Dr Keith Holgate | Deputy chair of the board |
| Susan Cooper | Appointed 3 February 2023 |
| John Hoskinson | Appointed 30 June 2022 |
| Dr Helen Matthews | Appointed 19 January 2021 |
| Mick McGuire | Appointed 18 January 2021 |
| James Pepper | Appointed 9 April 2020 |
| Matt Sinnott | Appointed 2 August 2023 |
| Sian Thomas | Appointed 29 May 2019 |
| Cathrine Grubb | Resigned 12 June 2023 |
| Dr Huw Jenkins | Resigned 31 August 2023 |

Chief Executive

| | |
|-------------------|--|
| Maria Timon Samra | Chief Executive resigned as Chief Executive on 1 st March 2024 |
| Jason Foster | Interim Chief Executive from 1 st February 2024 – 1 st June 2024 |

Executive directors

The following were in post during the period:

| | |
|-----------------|--|
| Jason Foster | Director of finance |
| Tracy Jones | Director of family wellbeing and partnerships |
| Jenna Lewis | Director of income generation |
| Sian Middleton | Director of nursing and clinical services |
| John Mladenovic | Director of marketing & communications and lottery |
| Zoe Tippins | Director of people services |

13. Trustees' responsibilities in relation to the financial statements

The trustees (who are also the directors of Tŷ Hafan for the purposes of company law) are responsible for preparing the trustees' annual report and financial statements in accordance applicable law and United Kingdom accounting standards (United Kingdom Accepted Accounting Practice).

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

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

The trustees are responsible for keeping adequate accounting records that disclose, with reasonable accuracy at any time, the financial position of the charitable company and to ensure that the financial statements comply with the Companies Act 2006.

They are also responsible for safeguarding the assets of the charitable company, and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information (as defined by Section 418 of the Companies Act 2006), of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make them aware of any relevant audit information and to establish that the auditor is aware of that information.

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

Auditors

As part of the periodic requirement to review auditors, the audit services for Tŷ Hafan were put out to tender in 2024 and as a result, Bevan Buckland LLP will not be reappointed at the forthcoming Annual General Meeting.

It has been agreed by the board to appoint Haines Watts as auditors for accounts year ending 31 March 2025.

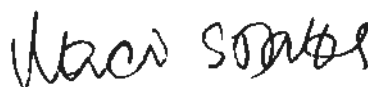
Approval

This report was approved by the trustees as members of the charitable company on 20th November 2024 and was signed on their behalf by

Martin Davies

Trustee and Chairman of the Board

Date 5th December 2024



14. Independent auditor's report to the members and trustees of Tŷ Hafan

Opinion

We have audited the financial statements of Tŷ Hafan (the 'parent charitable company') and its subsidiaries ('the group') for the year ended 31 March 2024 which comprises the consolidated statement of financial activities, the Consolidated and Parent Charitable Company balance sheets, the Group statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 March 2024 and of the group's profit for the year then ended
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the group 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's and 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 authorized for issue.

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

Other information

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

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent charitable company 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, 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and the parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

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

We design procedures in line with our responsibilities outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Extent to which the audit was considered capable of detecting Irregularities, including fraud

We identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, and then, design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

We discussed our audit independence complying with the Revised Ethical Standard 2019 with the engagement team members whilst planning the audit and continually monitored our independence throughout the process.

Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

enquiring of management, including obtaining and reviewing supporting documentation, concerning the Group's and parent charitable company's policies and procedures relating to:

- identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance
- detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud
- Internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations

Discussing among the engagement team how and where fraud might occur in the Financial Statements and any potential indicators of fraud. As part of this discussion, we identified potential for fraud in the following areas.

Obtaining an understanding of the legal and regulatory frameworks that the Group and Parent Charitable company operates in, focusing on those laws and regulations that had a direct effect on the Financial Statements or that had a fundamental effect on the operations of the Group and Parent Charitable Company, the key laws and regulations we considered in this context included the UK Companies Act and relevant tax legislation.

Audit response to risks identified

In addition to the above, our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations
- enquiring of management concerning actual and potential litigation and claims; performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud
- reading minutes of meetings of those charged with governance and reviewing correspondence with HMRC
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments
- assessing whether the judgements made in making accounting estimates are indicative of a potential bias
- evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

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

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Alison Vickers (Senior Statutory Auditor)
For and on behalf of Bevan Buckland LLP, Statutory Auditor
Ground Floor
Cardigan House
Castle Court
Swansea Enterprise Park Swansea
SA7 9LA

Date: ...5th December 2024...

15. Tŷ Hafan Consolidated Statement of Financial Activities
(Incorporating the Consolidated Income and Expenditure Account)
for the year ended 31 March 2024

| | | Unrestricted Funds | Restricted Funds | Total Funds 2024 | Total Funds 2023 |
|--|-----------|-----------------------|---------------------|---------------------|---------------------|
| | Note | £ | £ | £ | £ |
| Income from: | | | | | |
| Donations and Legacies | 2 | 3,877,811 | 708,561 | 4,586,172 | 4,594,129 |
| Charitable Activities | | | | | |
| - Provision of Care | 3 | 1,893,814 | - | 1,893,814 | 1,116,442 |
| Other Trading Activities | 4 | 3,820,705 | - | 3,820,708 | 3,688,869 |
| Investments and other income | 5 | 297,360 | - | 297,360 | 323,002 |
| Total income | | 9,689,490 | 708,561 | 10,398,051 | 9,722,442 |
| Expenditure on: | | | | | |
| - Trading Activities | 6 | 2,981,834 | - | 2,981,834 | 2,940,120 |
| Total income net of trading expenditure | | 6,707,656 | 708,561 | 7,416,217 | 6,782,322 |
| Expenditure on: | | | | | |
| - Raising Funds | 6 | 1,552,940 | - | 1,552,940 | 1,192,743 |
| - Investment Management | 6 | 57,736 | - | 57,736 | 52,176 |
| Net income available for Charitable Activities | | 5,096,980 | 708,561 | 5,808,541 | 5,537,403 |
| Charitable Activities | | | | | |
| - Provision of Care | 7 | 5,107,094 | 761,925 | 5,869,019 | 5,261,686 |
| Total Expenditure | | 9,699,604 | 761,925 | 10,461,529 | 9,446,725 |
| Net income before gains/(losses) on investments | | (10,114) | (53,364) | (63,478) | 275,717 |
| Net gains /(losses) on investments | | 1,154,538 | - | 1,154,538 | (626,920) |
| Net Income / (Expenditure) | | 1,144,424 | (53,364) | 1,091,060 | (351,203) |
| Gross transfers between funds | 22 | 8,112 | (8,112) | - | - |
| Net movement in funds | | 1,152,536 | (61,476) | 1,091,060 | (351,203) |
| Reconciliation of Funds | | | | | |
| Funds balances brought forward | 22 | 17,983,473 | 813,285 | 18,796,758 | 19,147,961 |
| Fund balances carried forward | 22 | 19,136,009 | 751,809 | 19,687,818 | 18,796,758 |

The consolidated statement of financial activities includes all gains and losses recognised in the year.
All incoming resources and resources expended derive from continuing activities.

Tŷ Hafan
Group and Charity Balance Sheet
At 31 March 2024

| | | | 2024 | | 2023 |
|--|------|-------------------|-------------------|-------------------|-------------------|
| | | £ | £ | £ | £ |
| | Note | Group | Charity | Group | Charity |
| Fixed assets | | | | | |
| Tangible Assets | 15 | 6,154,838 | 6,154,838 | 5,828,607 | 5,828,607 |
| Investments | 16 | 13,369,313 | 13,379,314 | 12,476,891 | 12,486,892 |
| | | 19,524,151 | 19,534,152 | 18,305,498 | 18,315,499 |
| Current assets | | | | | |
| Stock | 17 | 5,655 | - | 5,127 | - |
| Debtors | 18 | 1,482,208 | 1,630,974 | 1,007,400 | 1,153,283 |
| Cash at bank | | 788,929 | 459,606 | 1,309,343 | 965,260 |
| | | 2,276,792 | 2,090,480 | 2,321,870 | 2,118,543 |
| Current liabilities | | | | | |
| Creditors: Amounts falling due within one year | 19 | (1,407,005) | (1,245,059) | (1,319,571) | (1,138,517) |
| Net current assets | | 869,787 | 845,421 | 1,002,299 | 980,026 |
| Provisions for liabilities and charges | 20 | (506,120) | (506,120) | (511,039) | (511,039) |
| Net Assets | | 19,887,818 | 19,873,453 | 18,796,758 | 18,784,486 |
| Funds | | | | | |
| Restricted | 22 | 751,809 | 751,809 | 813,285 | 813,285 |
| Unrestricted | 22 | 19,136,009 | 19,121,644 | 17,983,473 | 17,971,201 |
| | | 19,887,818 | 19,873,453 | 18,796,758 | 18,784,486 |

The financial statements were approved by the Board of Directors on

..... *Martin Davies* and were signed on its behalf by:

5th December
2024

Martin Davies - Trustee and Chair of the Board

Registered Company Number: 3077406

Tŷ Hafan
Group Statement of Cash Flows
for the year ended 31 March 2024

| | Note | 2024 £ | 2023 £ |
|--|--------------------------------|--------------------------------|--------------------------------|
| Net cash (used in) provided by operating activities | 24 | <u>(274,597)</u> | <u>735,191</u> |
| Cash flows from investing activities: | | | |
| Deposit interest received | 5 | 1,740 | 7 |
| Payments to acquire tangible fixed assets | 15 | (747,557) | (210,803) |
| Transfer of cash held from investments | | 500,000 | - |
| Net cash provided by (used in) investing activities | | <u>(245,817)</u> | <u>(210,796)</u> |
| Change in cash and cash equivalents in the reporting period | | <u>(520,414)</u> | <u>524,395</u> |
| Cash and cash equivalents at the beginning of the year | | <u>1,309,343</u> | <u>784,948</u> |
| Cash and cash equivalents at the end of the year | | <u><u>788,929</u></u> | <u><u>1,309,343</u></u> |
| Analysis of cash and cash equivalents | | 31 March 2024 | 31 March 2023 |
| | | £ | £ |
| Cash at bank and in hand | | <u>788,929</u> | <u>1,309,343</u> |
| Total cash and cash equivalents | | <u><u>788,929</u></u> | <u><u>1,309,343</u></u> |
| Analysis of changes in net debt | 31 March 2023 | Cash flow | 31 March 2024 |
| | £ | £ | £ |
| Cash | <u>1,309,343</u> | <u>(520,414)</u> | <u>788,929</u> |
| Total | <u><u>1,309,343</u></u> | <u><u>(520,414)</u></u> | <u><u>788,929</u></u> |

Tŷ Hafan

Notes to the Financial Statements - continued for the year ended 31 March 2024

1. ACCOUNTING POLICIES

Basis of preparation

The financial statements of the Charitable Company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention or transaction value unless otherwise stated in the relevant accounting policy note(s).

The Charitable Company's functional and presentational currency is the pound sterling (£), and balances are rounded to the nearest £1.

Preparation of the accounts on a going concern basis

At the time of approving the accounts, the Trustees have a reasonable expectation that the Charity, and the Group, have adequate resources to continue in operational existence for the foreseeable future. The Trustees have reviewed the reserves policy which supports the long-term business plan of the Charity. Thus, the trustees continue to adopt the going concern basis of accounting in preparing the accounts.

Basis of consolidation

The group financial statements consolidate those of Tŷ Hafan and its subsidiary undertakings, Tŷ Hafan Trading Limited and Crackerjackpot Limited (see note 16), made up to 31 March 2024, on a line by line basis.

The consolidated entity is known as the 'Group'. Accounting policies specific to the Charitable Company or group in total are laid out below.

No separate company Statement of Financial Activities (SOFA) has been prepared for the Charitable Company as permitted by Section 408 of the Companies Act 2006.

Incoming resources

Income is recognised when the Charitable Company has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measure reliably. It is derived from the activities outlined below.

Donations and similar incoming resources are recognised when they are received. Where refundable income is received in respect of a specified event or project, the income is deferred until completion of that event or project.

**Notes to the Financial Statements - continued
for the year ended 31 March 2024**

1. ACCOUNTING POLICIES (continued)

Pecuniary and residuary legacies are recognised on a case by case basis following the granting of probate and when the administrator/executor for the estate has communicated in writing the amount and of the legacy. In the event that the legacy is in the form of an asset other than cash or a financial asset traded on a recognised stock exchange, recognition is subject to the value for the legacy being reliably measurable with a degree of reasonable accuracy and the title to the asset being transferred to the Charitable Company. Reversionary legacies are not recognised during the lifetime of the original beneficiary under the will. An estimate of the total number and value of all open legacy cases which do not meet the above conditions, but to which the Charitable Company may be entitled is disclosed within the notes to the accounts.

Donated goods capitalised as tangible fixed assets are included as 'Income from Donations and Legacies' at their market value at the time of receipt.

Gift Aid receivable is included in income when there is a valid declaration from the donor.

Grants (including government grants) which are received to fund specific purposes are recognised as restricted incoming resources in the year in which the Charitable Company is entitled to the funds. Revenue grants are credited as incoming resources when they are receivable, provided conditions for receipt have been complied with.

No grants have unfulfilled conditions.

Fees receivable from Welsh Local Health Boards in respect of respite care are accrued.

The value of the goods donated for sale in the shops operated by the Charitable Company is recognised at the point of sale unless it is practicable for the goods to be measured at fair value on receipt. For these items the value is recognised as stock on the balance sheet and the released to the income statement when the item is sold.

The income for the weekly membership lottery is recognised when it is received except for money received in advance of the draw to which it relates, which is treated as deferred income.

Investment income comprises bank deposit interest and dividends and interest arising from discretionary investment activities. Investment income arising from discretionary investment activities is re-invested by the Investment Managers.

Tŷ Hafan

Notes to the Financial Statements - continued for the year ended 31 March 2024

1. ACCOUNTING POLICIES (continued)

Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following headings:

- Costs of raising funds; includes the direct costs of operating the Charitable Company's shops, membership lottery and appeals office together with an apportionment of head office costs to reflect the support provided to the fundraising operations. The direct costs of operating the Charitable Company's shops do not include any valuation of donated goods sold.
- Costs of charitable activities; includes the direct costs of operating care services together with an apportionment of head office costs to reflect the support provided to these activities.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

Allocation of support and governance costs

Support costs are those functions that assist the work of the Charitable Company but do not directly undertake charitable activities. Support costs have been allocated between governance costs and other support costs. Governance costs comprise all costs involving the public accountability of the Charitable Company and its compliance with regulation and good practice. These costs include costs related to statutory audit and legal fees together with an apportionment of overhead and support costs.

The bases on which support costs have been allocated are set out in note 8.

Taxation

The charitable members of the group are exempt from income and corporation taxes on income and gains to the extent that they are applied for their charitable objects. The trading subsidiaries do not generally pay UK Corporation Tax because their policy is to pay taxable profits to the Charitable Company as gift aid.

Tangible fixed assets

All tangible fixed assets are included at cost less accumulated depreciation. Items of a capital nature costing less than £1,000 are not capitalised. There are no heritage assets.

At present there are no circumstances existing to suggest that an impairment review of the carrying value of fixed assets is required. This position is reviewed on an annual basis. Any impairment is recognised in the year in which it occurs.

Tŷ Hafan

Notes to the Financial Statements - continued for the year ended 31 March 2024

1. ACCOUNTING POLICIES (continued)

Depreciation

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

| | |
|--------------------------|----------------------|
| Medical equipment | 20% on cost |
| Hospice development | 5% and 10% on cost |
| Freehold Land & Building | 2% on cost |
| Office equipment | 20% on cost |
| Computer equipment | 33% on cost |
| Fixtures and fittings | 20% on cost |
| Motor Vehicles | 25% reducing balance |

Assets under construction are carried at cost and are not depreciated until they come into use.

Investments

Assets held for investment purposes are valued at fair value (their market value) at the balance sheet date, except for investments in trading subsidiaries, which are held at cost, as the trustees believe that the market value of the trading subsidiary is not materially different to its cost.

Realised gains and losses on investments are calculated as the difference between sales proceeds of these investments and their market value at the start of the year, or their subsequent costs, and are charged or credited to the statement of the financial activities in the period of disposal.

Unrealised gains and losses represent the movement in market values during the year and are credited or charged to the statement of financial activities based on the market value at the year-end.

Investments in Subsidiaries

Investment in subsidiary entities are held at cost less impairment.

Debtors

Debtors are recognised at the settlement amount due after any discount offered. Prepayments are valued at the amount prepaid net of any discounts due.

Stocks

Stocks represent purchased stock items only and are stated at the lower of cost and estimated net realisable value. Where necessary, provision is made for obsolete, slow moving and defective stocks. Stock does not include goods donated for sale in the Group's charity shops unless it is practicable for the goods to be measured at fair value on receipt.

Tŷ Hafan

Notes to the Financial Statements - continued for the year ended 31 March 2024

1. ACCOUNTING POLICIES (continued)

Cash at bank and in hand

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

Creditors and provisions

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

Financial instruments

The Charitable Company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Fund accounting policy

Unrestricted funds are those which are available for use at the discretion of the Board of Directors in furtherance of the general objectives of the Charitable Company and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charitable Company for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes of the financial statements.

Designated funds are unrestricted funds of the Charitable Company, which the trustees have decided at their discretion to set aside to use for a specific purpose.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the statement of financial activities on a straight-line basis over the period of the lease.

Pension costs

Contributions in respect of defined contribution pension schemes are charged to the statement of financial activities in the period in which they are payable.

The Charitable Company also participates in the NHS Pension Scheme, a defined benefit pension scheme, but it is unable to identify its share of the underlying assets and liabilities. The pension costs charged against net incoming resources are the contributions payable to the scheme in respect of the accounting period.

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Notes to the Financial Statements - continued for the year ended 31 March 2024

1. ACCOUNTING POLICIES (continued)

Critical accounting estimates and assumptions

The Charitable Company makes estimates and assumptions concerning the future. The resulting accounting estimates will by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next year are addressed below:

(I) Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimate useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimate, based on technological advancement, future investments, economic utilisation and the physical condition of the assets, see note 15 for the carrying amount of each class of asset held, and above for the useful economic lives for each class of assets.

(II) Impairment of debtors

The Charitable Company makes estimates of the recoverable value of debtors. When assessing the impairment of debtors, management consider factors including the current credit rating of the debtor, the ageing profile of debtors and historic experience. See note 18 for the net carrying amount of debtors and associated impairment provision.

(III) Provisions

Provision is made for the dilapidation on leasehold premises. These provisions require management's best estimate of the costs that will be incurred based on legislative and contractual requirements. (See note 20).

(IV) Income recognition of legacies

Residuary legacies have been recognised using a case by case basis when the amount receivable can be measured accurately following written confirmation from the estate executor/administrator. Management have accrued for a percentage of the legacy pipeline which is consistent with experience over the last four years.

**Notes to the Financial Statements - continued
for the year ended 31 March 2024**

2. INCOME FROM DONATIONS AND LEGACIES

| | Unrestricted Funds | Restricted Funds | Total Funds 2024 | Total Funds 2023 |
|---------------------------------------|-------------------------------|-----------------------------|-----------------------------|-----------------------------|
| | £ | £ | £ | £ |
| Donations, appeals and similar income | 2,247,307 | 708,561 | 2,955,868 | 2,742,938 |
| Legacies | 1,630,304 | - | 1,630,304 | 1,827,540 |
| Covid Funding | - | - | - | 23,651 |
| | <u>3,877,611</u> | <u>708,561</u> | <u>4,586,172</u> | <u>4,594,129</u> |

During the year no COVID-19 government support was received :

| | 2024 | 2023 |
|-----------------------|-----------------|----------------------|
| | £ | £ |
| Covid Insurance Claim | - | 23,651 |
| | <u>-</u> | <u>23,651</u> |

There are no unfulfilled conditions attached to the above grants received.

In accordance with the Charities SORP (FRS102) the Charitable Company accounts for legacies as receivable when conditions for entitlement have been met; and receipt of the income can be measured accurately. An external notification service is used to notify the Charitable Company of bequests and a system of monitoring ensures that the legacy is tracked until receipt.

At the year-end the Charitable Company had 85 (2023: 74) open legacy cases which had not met all of the above conditions. Should indicative amounts be received in respect of these legacies the Charity could benefit from a further £1,953,936 (2023 £1,632,799) in the future. In applying the requirements of the Charities SORP (FRS 102) in measuring income when it can be accurately measured, an accrual of £29,650 (2023: £142,973) has been included in the accounts for legacy bequests.

3. INCOME FROM CHARITABLE ACTIVITIES

| | Unrestricted Funds | Restricted Funds | Total Funds 2024 | Total Funds 2023 |
|--------------------------|-------------------------------|-----------------------------|-----------------------------|-----------------------------|
| | £ | £ | £ | £ |
| Local Health Authorities | 1,103,255 | - | 1,103,255 | 1,068,890 |
| Public Funding | 590,559 | - | 590,559 | 47,552 |
| | <u>1,693,814</u> | <u>-</u> | <u>1,693,814</u> | <u>1,116,442</u> |

Tŷ Hafan
Notes to the Financial Statements - continued
for the year ended 31 March 2024

4. INCOME FROM OTHER TRADING ACTIVITIES

| | Unrestricted Funds | Restricted Funds | Total Funds 2024 | Total Funds 2023 |
|--------------------|-----------------------|---------------------|---------------------|---------------------|
| | £ | £ | £ | £ |
| Retail activities | 2,200,915 | - | 2,200,915 | 2,052,407 |
| Membership lottery | 1,619,790 | - | 1,619,790 | 1,636,462 |
| | <u>3,820,705</u> | <u>-</u> | <u>3,820,705</u> | <u>3,688,869</u> |

5. INVESTMENT AND OTHER INCOME

| | Unrestricted Funds | Restricted Funds | Total Funds 2024 | Total Funds 2023 |
|--------------------------|-----------------------|---------------------|---------------------|---------------------|
| | £ | £ | £ | £ |
| Listed investment Income | 295,620 | - | 295,620 | 322,995 |
| Interest Received | 1,740 | - | 1,740 | 7 |
| | <u>297,360</u> | <u>-</u> | <u>297,360</u> | <u>323,002</u> |

6. EXPENDITURE ON TRADING ACTIVITIES AND RAISING FUNDS

| | Unrestricted | Restricted | Total 2024 | Total 2023 |
|--|------------------|------------|------------------|------------------|
| | £ | £ | £ | £ |
| Retail Expenditure | 2,054,878 | - | 2,054,878 | 2,049,865 |
| Membership Lottery | 926,956 | - | 926,956 | 890,255 |
| Donations, appeals, legacies and similar income | 1,552,940 | - | 1,552,940 | 1,192,743 |
| Investment Management Costs | 57,736 | - | 57,736 | 52,176 |
| | <u>4,592,510</u> | <u>-</u> | <u>4,592,510</u> | <u>4,185,039</u> |

7. EXPENDITURE ON CHARITABLE ACTIVITIES

| | Unrestricted | Restricted | Total 2024 | Total 2023 |
|----------------------------|--------------|------------|------------|------------|
| | £ | £ | £ | £ |
| Provision of Care: | | | | |
| Direct Costs | 3,841,561 | 761,925 | 4,603,486 | 4,096,842 |
| Support Costs (see note 8) | 1,265,533 | - | 1,265,533 | 1,164,844 |

| | | | |
|------------------|----------------|------------------|------------------|
| 6,107,094 | 761,925 | 5,889,019 | 5,261,686 |
|------------------|----------------|------------------|------------------|

Tŷ Hafan
Notes to the Financial Statements - continued
for the year ended 31 March 2024

8. SUPPORT COSTS

| Cost Categories | Charitable Activities | Donations & Legacies | Membership Lottery | Retail | Total 2024 | Basis |
|---------------------|-----------------------|----------------------|--------------------|----------------|------------------|--------------------|
| | £ | £ | £ | £ | £ | |
| Management | 131,449 | 33,111 | 23,918 | 46,641 | 235,119 | Average Head Count |
| Finance | 320,333 | 84,382 | 62,972 | 122,680 | 590,247 | Average Head Count |
| Governance (note 9) | 131,990 | - | - | - | 131,990 | Time Spent |
| IT | 110,171 | 28,303 | 17,812 | 42,832 | 200,118 | Average Head Count |
| Human Resources | 287,613 | 75,979 | 47,260 | 110,562 | 521,404 | Average Head Count |
| PR & Marketing | 283,977 | 76,863 | 46,309 | 111,416 | 516,655 | Time Spent |
| | 1,265,533 | 298,728 | 187,281 | 434,011 | 2,185,533 | |

All costs are attributed by activity on the basis of head count or time spent on each activity. As the Charitable Company has only one charitable activity all support costs are allocated to this activity.

9. GOVERNANCE COSTS

| Analysed as: | Unrestricted | Restricted | Total 2024 | Total 2023 |
|------------------------|----------------|------------|----------------|----------------|
| | £ | £ | £ | £ |
| Salary costs | 116,971 | - | 116,971 | 108,116 |
| Audit fees | 13,450 | - | 13,450 | 10,239 |
| Accounting services | 1,550 | - | 1,550 | - |
| Legal and professional | 19 | - | 19 | 56 |
| Trustee's expenses | - | - | - | - |
| | 131,990 | - | 131,990 | 118,411 |

Tŷ Hafan
Notes to the Financial Statements - continued
for the year ended 31 March 2024

10. NET INCOME

The net surplus / (deficit) is stated after charging:

| | 2024 | 2023 |
|---|-------------|-------------|
| | £ | £ |
| Operating leases | 326,005 | 342,237 |
| Fees payable to the Charitable Company's auditor for the audit of the group | 13,450 | 10,673 |
| Depreciation of owned assets | 421,326 | 478,394 |

11. TRUSTEES' REMUNERATION AND BENEFITS

| | 2024 | 2023 |
|-------------------|-------------|-------------|
| | £ | £ |
| Trustees Expenses | <u>-</u> | <u>-</u> |

During the year, 0 (2023:0) Trustees were reimbursed for miscellaneous expenses.

12. EMPLOYEES' REMUNERATION

a) Staff costs

Staff costs during the year were:

| | 2024 | 2023 |
|----------------------------------|-------------------------|-------------------------|
| | £ | £ |
| Wages and salaries | 5,875,249 | 5,361,259 |
| Social security costs | 531,498 | 492,409 |
| Pension costs | 356,252 | 337,296 |
| Redundancy and Termination Costs | <u>14,970</u> | <u>21,131</u> |
| | <u>6,777,969</u> | <u>6,212,095</u> |

The key management personnel of the Charitable Company are the Chief Executive Officer, the Director of Nursing and Clinical Services, the Director of Family Wellbeing and Outreach Services, the Director of Finance, the Director of Income Generation, the Director of People Services and the Director of Marketing Communications and Lottery. The employee benefits of key management personnel for the year totalled £546,893 (2023: £477,490). During the year there have been no ex-gratia payments to staff.

Tŷ Hafan
Notes to the Financial Statements - continued
for the year ended 31 March 2024

b) Staff numbers – average head count

| | 2024 | 2023 |
|----------------------|-------------|-------------|
| | No. | No. |
| Care Staff | 90 | 91 |
| Donations & Legacies | 24 | 23 |
| Retail Staff | 48 | 48 |
| Lottery staff | 8 | 9 |
| Central services | 21 | 23 |
| | 191 | 194 |

c) Higher paid staff

The number of employees whose gross emoluments fall within each band of £10,000 from £60,000 upwards are as follows:

| | 2024 | 2023 |
|----------------------|-------------|-------------|
| | No. | No. |
| £60,001 to £70,000 | 1 | 1 |
| £70,001 to £80,000 | 1 | 1 |
| £80,001 to £90,000 | 1 | - |
| £90,001 to £100,000 | - | - |
| £100,001 to £110,001 | 1 | 1 |

The Charitable Company also made pension contributions on behalf of the above employees totalling £45,275 (2023: £38,190) which have not been included within the banding categories above.

13. TAXATION

As a registered charity, Tŷ Hafan is entitled to the exemptions from taxation in respect of income and capital gains received within Sections 478 - 489 of the Corporation Tax Act 2010 and section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that these are applied to its charitable objects purposes only.

The trading subsidiary, Tŷ Hafan Trading Limited, has utilised previous taxation losses against taxable profit for the year and hence there are no amounts chargeable to corporation tax.

The trading subsidiary, Crackerjackpot Limited, has gifted taxable profits arising during the year to its charitable parent Tŷ Hafan Limited and hence there are no amounts chargeable to corporation tax.

As a consequence of the above, no tax charges have arisen in the group.

Tŷ Hafan
Notes to the Financial Statements - continued
for the year ended 31 March 2024

14. CHARITABLE COMPANY RESULTS

The Charitable Company has taken advantage of Section 408 of the Companies Act 2006 and has not included its own income and expenditure account in these financial statements. The results of Tŷ Hafan (the Charitable Company) are summarised below:

| | 2024 | 2023 |
|---------------------------------------|---------------------------|---------------------------|
| | £ | £ |
| Total incoming resources | 9,814,245 | 8,957,290 |
| Total resources expended | <u>(9,679,816)</u> | <u>(8,681,907)</u> |
| Net incoming resources | (65,571) | 275,383 |
| Net unrealised investment gain/(loss) | <u>1,154,538</u> | <u>(626,920)</u> |
| Net movement in funds | 1,088,967 | (351,537) |
| Funds: | | |
| As 1 April | <u>18,784,486</u> | <u>19,136,023</u> |
| At 31 March | <u>19,873,453</u> | <u>18,784,486</u> |

The above results include £769,479 (2023: £808,809) in gift aid donations received by the Charitable Company from its trading subsidiary Crackerjackpot Limited.

Tŷ Hafan
Notes to the Financial Statements - continued
for the year ended 31 March 2024

15. TANGIBLE FIXED ASSETS

Group and Charity

| | Freehold Land and Buildings | Fixtures and Fittings | Equipment | Motor vehicles | Total |
|-----------------------|-----------------------------------|--------------------------|----------------|-------------------|-------------------|
| | £ | £ | £ | £ | £ |
| Cost | | | | | |
| At 1 April 2023 | 8,542,184 | 1,218,925 | 725,121 | 97,899 | 10,584,129 |
| Additions | 723,291 | - | 24,266 | - | 747,557 |
| Reclassification | (8,167) | 6,506 | 1,184 | 477 | - |
| Disposals | - | - | - | - | - |
| At 31 March 2024 | <u>9,257,308</u> | <u>1,225,431</u> | <u>750,571</u> | <u>98,376</u> | <u>11,331,686</u> |
| Depreciation | | | | | |
| At 1 April 2023 | 2,926,027 | 1,156,454 | 579,040 | 94,001 | 4,766,522 |
| Charge for the year | 307,066 | 26,708 | 83,177 | 4,375 | 421,326 |
| Revaluations | - | - | - | - | - |
| Disposals | - | - | - | - | - |
| At 31 March 2024 | <u>3,233,093</u> | <u>1,183,162</u> | <u>662,217</u> | <u>98,376</u> | <u>5,176,848</u> |
| Net Book Value | | | | | |
| At 31 March 2024 | <u>6,024,216</u> | <u>42,269</u> | <u>88,354</u> | <u>-</u> | <u>6,154,838</u> |
| At 31 March 2023 | <u>5,616,157</u> | <u>62,471</u> | <u>146,081</u> | <u>3,898</u> | <u>5,828,607</u> |

16. FIXED ASSET INVESTMENTS

Total fixed asset investments comprise:

| | 2024 | | 2023 | |
|---|-------------------|-------------------|-------------------|-------------------|
| | Group | Charity | Group | Charity |
| | £ | £ | £ | £ |
| Interests in subsidiary undertakings | - | 10,001 | - | 10,001 |
| Market value of other fixed asset investments | 13,369,313 | 13,369,313 | 12,476,891 | 12,476,891 |
| | <u>13,369,313</u> | <u>13,379,314</u> | <u>12,476,891</u> | <u>12,486,892</u> |

Tŷ Hafan
Notes to the Financial Statements - continued
for the year ended 31 March 2024

FIXED ASSET INVESTMENTS (CONTINUED)

Interests in group undertakings

At 31 March 2024, the Charitable Company held 100% of the allotted ordinary share capital of the following subsidiaries:

| | Country of Incorporation | Class of Share Capital Held | Company Number | Nature of Business | Capital and Reserves £ | Result for the Financial Year £ |
|--------------------------------|-----------------------------|--------------------------------------|-------------------|------------------------|------------------------------|---|
| Tŷ Hafan Trading Limited | England & Wales | Ordinary shares | 05129825 | Trading Merchandise | 14,366 | 2,093 |
| Crackerjackpot Limited | England & Wales | Ordinary shares | 08221671 | Lottery Operations | 10,000 | - |

Other fixed asset investments were held as follows:

| | 2024 | 2023 |
|---------------------------|-------------------|-------------------|
| | Group and Charity | Group and Charity |
| | £ | £ |
| Listed Investments | | |
| Market value at 1 April | 12,476,891 | 12,837,993 |
| Additions | 4,174,091 | 2,062,442 |
| Disposals | (3,661,791) | (1,788,075) |
| Cash movement | (774,416) | (8,549) |
| Revaluation | 1,154,538 | (626,920) |
| Market value at 31 March | <u>13,369,313</u> | <u>12,476,891</u> |
| Cash included in total | <u>93,343</u> | <u>867,758</u> |
| Historical cost | <u>11,845,748</u> | <u>12,107,828</u> |

The market value at 31 March 2024 comprises a sum of £13,292,048 managed by Brewin Dolphin (2023: £12,395,033). Also included in the market value are £77,265 (2023: £81,858) of shares which were bequeathed to the Charity taking the investment portfolio to £13,369,313 at the balance sheet date.

Tŷ Hafan
Notes to the Financial Statements - continued
for the year ended 31 March 2024

Income generated totalling £295,620 (2023: £322,995) was invested after deduction of management charges of £57,736 (2023: £52,176). The investments are unrestricted. During the year there were £500,000 (2023: £0) withdrawals from the investment portfolio to fund capital and other programme expenditure. The portfolio includes £5,246,457 (2023: £5,589,565) invested in UK investments and £8,122,856 (2023: £6,887,326) invested in overseas investments.

17. STOCKS

| | 2024 | | 2023 | |
|----------------------------|---------------------|-----------------|---------------------|-----------------|
| | Group | Charity | Group | Charity |
| | £ | £ | £ | £ |
| Retail goods held for sale | <u>5,655</u> | <u>-</u> | <u>5,127</u> | <u>-</u> |

18. DEBTORS

| | 2024 | | 2023 | |
|----------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| | Group | Charity | Group | Charity |
| | £ | £ | £ | £ |
| Trade Debtors | 417,812 | 417,812 | 460,649 | 460,649 |
| Prepayments and accrued income | 888,422 | 882,396 | 478,799 | 444,668 |
| Due from subsidiary undertakings | - | 154,792 | - | 180,014 |
| Employee benefit schemes | 4,867 | 4,867 | 2,405 | 2,405 |
| VAT recoverable | <u>171,107</u> | <u>171,107</u> | <u>65,547</u> | <u>65,547</u> |
| | <u>1,482,208</u> | <u>1,630,974</u> | <u>1,007,400</u> | <u>1,153,283</u> |

Debtors are stated after provisions for impairment of £Nil (2023: £Nil).

19. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2024 | | 2023 | |
|---------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| | Group | Charity | Group | Charity |
| | £ | £ | £ | £ |
| Trade creditors | 355,999 | 347,700 | 142,445 | 129,946 |
| Owed to subsidiary undertakings | - | 8,711 | - | 7,146 |
| Social security and other taxes | 197,122 | 189,010 | 164,555 | 157,371 |
| Accruals | 309,698 | 289,392 | 320,495 | 306,750 |
| Deferred income | 544,186 | 410,246 | 692,076 | 537,304 |
| | <u>1,407,005</u> | <u>1,245,059</u> | <u>1,319,571</u> | <u>1,138,517</u> |

CREDITORS: DEFERRED INCOME

Deferred income consists of income received in respect of future draws of the group's weekly membership lottery, and grants to be utilised in future periods.

| | 2024 | | 2023 | |
|--|-----------------------|-----------------------|-----------------------|-----------------------|
| | Group | Charity | Group | Charity |
| | £ | £ | £ | £ |
| As at 1 April | 692,076 | 537,304 | 326,973 | 169,692 |
| Amounts released to incoming resources | (1,092,737) | (868,018) | (223,194) | (65,913) |
| Amounts deferred in the year | <u>944,847</u> | <u>740,960</u> | <u>588,297</u> | <u>433,525</u> |
| As at 31 March | <u>544,186</u> | <u>410,246</u> | <u>692,076</u> | <u>537,304</u> |

20. PROVISIONS FOR LIABILITIES AND CHARGES

| | 2024 | | 2023 | |
|-------------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | Group | Charity | Group | Charity |
| | £ | £ | £ | £ |
| As at 1 April | 511,039 | 511,039 | 502,306 | 502,306 |
| Additions | 8,081 | 8,081 | 8,733 | 8,733 |
| Charged during the year | <u>(13,000)</u> | <u>(13,000)</u> | <u>0</u> | <u>0</u> |
| As at 31 March | <u>506,120</u> | <u>506,120</u> | <u>511,039</u> | <u>511,039</u> |

The nature of the Charitable Company's activities requires it to enter into lease agreements for various items of equipment, property and vehicles.

The provision relates to management's best estimate of costs in respect of such items beyond fair wear and tear for which the Charitable Company is liable under the terms of each agreement.

21. PENSION SCHEMES

The Charitable Company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the Charitable Company to the scheme and amounted to £273,818 (2023: £255,492).

There were no outstanding or prepaid contributions at either the beginning or end of the financial year.

The Charitable Company also contributes to the NHS Pension scheme, whose fund is held independently of the Charitable Company. The scheme is an unfunded defined benefit scheme but the Charitable Company is unable to identify its share of the underlying assets and liabilities.

Employer contribution rates are reviewed every four years following a scheme valuation carried out by the government actuary. On the advice of actuary, the contributions may be varied from time to time to reflect changes in the scheme's liabilities.

The last formal actuarial valuation undertaken for the NHS Pension Scheme was completed as at 31 March 2020 (published in April 2024). The primary purpose of the formal actuarial valuations is to set employer and employee contribution rates from April 2024. The Department of Health and Social Care have recently laid Scheme Regulations confirming that the employer contribution rate will increase to 23.7% of pensionable pay from 1 April 2024.

The contributions to this NHS scheme in the year were £75,504 (2023: £83,150)

The Charitable Company has made no employer contributions into employee personal pension schemes.

Tŷ Hafan
Notes to the Financial Statements - continued
for the year ended 31 March 2024

22. MOVEMENT IN FUNDS – GROUP

| | Balance at 1 Apr 2023 £ | Incoming resources £ | Outgoing resources £ | Transfer £ | Unrealised gain on Investments £ | Balance at 31 Mar 2024 £ |
|--------------------------------|-------------------------------|----------------------------|----------------------------|------------------|---|--------------------------------|
| Unrestricted funds | | | | | | |
| General funds | <u>9,750,718</u> | <u>9,689,490</u> | <u>(9,684,950)</u> | <u>(589,299)</u> | <u>1,154,538</u> | <u>10,320,497</u> |
| Designated Funds | | | | | | |
| Care in Community | 40,013 | - | - | - | - | 40,013 |
| Fixed Assets | 5,204,354 | - | - | 416,171 | - | 5,620,525 |
| Planned Deficits | 2,187,760 | - | - | 181,240 | - | 2,369,000 |
| Major Capital Projects | 500,000 | - | - | - | - | 500,000 |
| Hospice Staff Costs | 125,000 | - | - | - | - | 125,000 |
| Transition | <u>175,828</u> | <u>-</u> | <u>(14,654)</u> | <u>-</u> | <u>-</u> | <u>160,974</u> |
| | <u>8,232,755</u> | <u>-</u> | <u>(14,654)</u> | <u>597,411</u> | <u>-</u> | <u>8,815,512</u> |
| Restricted funds | | | | | | |
| Building | 580,600 | | | (8,112) | - | 572,488 |
| Hospice Equipment | 15,528 | 23,000 | (30,265) | - | - | 8,263 |
| Staff Costs | 99,732 | 457,786 | (510,516) | - | - | 47,002 |
| Hospice Service Users | 13,918 | 23,742 | (26,750) | - | - | 10,910 |
| Hospice Building Capital Works | 95,956 | 150,241 | (135,863) | - | - | 110,334 |
| Hospice IT | - | - | - | - | - | - |
| Garden Works Project | 2,437 | 2,457 | (2,082) | - | - | 2,812 |
| Care in Community | 5,114 | 51,335 | (56,449) | - | - | - |
| | <u>813,285</u> | <u>708,561</u> | <u>(761,925)</u> | <u>(8,112)</u> | <u>-</u> | <u>751,809</u> |
| | <u>18,796,758</u> | <u>10,398,051</u> | <u>(10,461,529)</u> | <u>-</u> | <u>1,154,538</u> | <u>19,887,818</u> |

Included within the above general funds are funds of the subsidiaries amounts to £14,366 (2023: £12,273) all of which are unrestricted.

MOVEMENT IN FUNDS – GROUP (CONTINUED)

General Funds:

General funds are available for use at the trustees' discretion in furtherance of the objectives of the Charitable Company. Included in general funds is the revaluation gain of investments to market value of £1,154,538 (2023: revaluation loss of £626,920).

Fund Transfers:

During the year £8,112 (2023 £8,117) was transferred from restricted funds to unrestricted funds. This relates to the depreciation charge on the building asset funded by the Welsh Government held in restricted funds (see note below).

Restricted Funds:

The Big Lottery provided funds towards an extension to the hospice in 2015 and equipment. This fund is charged with the depreciation arising thereon.

Welsh Government provided funding towards the purchase of the hospice freehold land. This land was purchased in 2010 and has been capitalised in the financial statements.

During the year we were also kindly donated funds towards the refurbishment of the hospice sanctuary space, staffing for bereavement, play and transition services.

Designated Funds:

Included in the Unrestricted Funds are 3 donations received that have been designated for specific future expenditure, a total of £125,000 has been ring fenced for hospice staff costs, £40,013 for providing care in the community and a legacy donation of £160,974 which is being spent on resources to help the transition between child and adult services. There is also an allowance for the funds invested in the hospice and office building of £5,620,525, a provision of £2,369,000 to cover a planned deficit for the 2024/25 & 2025/26 financial years and a £500,000 provision for major capital projects where grant funding is not available.

23. ANALYSIS OF NET ASSETS BETWEEN FUNDS

GROUP

| | Fixed assets £ | Investments £ | Net current assets £ | Provision £ | Total £ |
|---------------------------|-------------------------------|--------------------------|---|-------------------------|--------------------------|
| Unrestricted funds | 5,582,350 | 13,189,992 | 869,787 | (506,120) | 19,136,009 |
| Restricted funds | 572,488 | 179,321 | - | - | 751,809 |
| | | | | | |
| Total funds | <u>6,154,838</u> | <u>13,369,313</u> | <u>869,787</u> | <u>(506,120)</u> | <u>19,887,818</u> |

CHARITY

| | Fixed assets £ | Investments £ | Net current assets £ | Provision £ | Total £ |
|---------------------------|-------------------------------|--------------------------|---|-------------------------|--------------------------|
| Unrestricted funds | 5,582,350 | 13,199,993 | 845,421 | (506,120) | 19,121,644 |
| Restricted funds | 572,488 | 179,321 | - | - | 751,809 |
| | | | | | |
| Total funds | <u>6,154,838</u> | <u>13,379,314</u> | <u>845,421</u> | <u>(506,120)</u> | <u>19,873,453</u> |

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24. RECONCILIATION OF INCOME/(EXPENDITURE) TO NET CASH FLOWS FROM OPERATING ACTIVITIES

| | Note | 2024 £ | 2023 £ |
|---|------|------------------|----------------|
| Surplus / (Deficit) of income over expenditure | | 1,091,060 | (351,203) |
| (Gains) / Losses on investments | 16 | (1,154,538) | 626,920 |
| Net investment income and bank interest payable | 5 | (297,360) | (323,001) |
| Investment portfolio management fees | 6 | 57,736 | 57,176 |
| Depreciation | 15 | 421,326 | 478,394 |
| Disposals / Revaluation Movement | 15 | - | (45,219) |
| Increase in stock | 17 | (528) | (1,667) |
| Decrease / (Increase) in debtors | 18 | (474,808) | (166,859) |
| Increase in creditors | 19 | 87,434 | 451,917 |
| Movement in provision for liabilities and charges | 20 | (4,919) | 8,733 |
| Net cash outflow from operating activities | | <u>(274,597)</u> | <u>735,191</u> |

25. CAPITAL COMMITMENTS

As at 31 March 2024, the Charity had capital commitments totalling £248,415 (2023: £0).

26. OPERATING LEASE COMMITMENTS

As at 31 March 2024, the group had annual commitments under non-cancellable operating lease arrangement as follows:

| | 2024 | | 2023 | |
|---|---------------|---------------|----------------|----------------|
| | Group £ | Company £ | Group £ | Company £ |
| Land and Buildings | | | | |
| Leases expiring within one year | 62,300 | 62,300 | 142,717 | 142,717 |
| Leases expiring within 2 to 5 years | 16,358 | 16,358 | 80,825 | 80,825 |
| Leases expiring within greater than 5 years | - | - | - | - |
| | <u>78,658</u> | <u>78,658</u> | <u>223,542</u> | <u>223,542</u> |
| Other Operating | | | | |
| Leases expiring within one year | 4,248 | 4,248 | 10,086 | 10,086 |
| Leases expiring within 2 to 5 years | - | - | 5,625 | 5,625 |
| Leases expiring within greater than 5 years | - | - | - | - |
| | <u>4,248</u> | <u>4,248</u> | <u>15,711</u> | <u>15,711</u> |

27. LEGAL CHARGE

The Charitable Company has entered into a covenant with the New Opportunities Fund to discharge all monies and liabilities which shall from time to time be due as set out in the grant contract. As part of the agreement to award the Charitable Company a grant to fund the building of the new Hospice extension as continuing security for the payment and discharge of the liabilities, the New Opportunities Fund have been granted a first legal mortgage over the land and premises at Sully, Penarth, which has a net book value of £6,024,215 (2023: £5,616,157), and the Charitable Company assigns to the fund by way of first fixed equitable charge each and all of the insurance and all future easements and other rights at any time vested in or conferred on the Charitable Company in connection with or otherwise for the benefit of the property.

28. CONTINGENT LIABILITY

Sale of Land

As part of the agreement to purchase the freehold of the land on which the hospice is built an overage agreement applies to future development which is payable to the previous freeholder. The restriction is in place until 2035. It is not possible at this time to quantify any contingent liability arising.

29. MEMBERS' LIABILITY

The Charitable Company is a private company limited by guarantee and consequently has no share capital. Each of the members is liable to contribute an amount not exceeding £1 towards the assets of the Charitable Company in event of liquidation.

30. RELATED PARTY DISCLOSURES

The Charitable Company is exempt from disclosing transactions with its subsidiaries under the provisions of FRS 102, as the subsidiaries are 100% controlled by the Charitable Company.

31. INDEMNITY INSURANCE

The group has taken out Charity and Charity Trustees Indemnity Insurance at a cost of £499 (2023: £499).

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Notes to the Financial Statements - continued
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32. PRIOR YEAR STATEMENT OF FINANCIAL ACTIVITIES

| | Unrestricted Funds £ | Restricted Funds £ | Total Funds 2023 £ |
|--|----------------------------|--------------------------|--------------------------|
| Income from: | | | |
| Donations and Legacies | 4,382,330 | 211,799 | 4,594,129 |
| Charitable Activities | | | |
| - Provision of Care | 1,116,442 | - | 1,116,442 |
| Other Trading Activities | 3,688,869 | - | 3,688,869 |
| Investments and other income | 323,002 | - | 323,002 |
| Total income | 9,510,643 | 211,799 | 9,722,442 |
| Expenditure on: | | | |
| - Trading Activities | 2,940,120 | - | 2,940,120 |
| Total income net of trading expenditure | 6,570,523 | 211,799 | 6,782,322 |
| Expenditure on: | | | |
| - Raising Funds | 1,192,743 | - | 1,192,743 |
| - Investment Management | 52,176 | - | 52,176 |
| Net income available for Charitable Activities | 5,325,604 | 211,799 | 5,537,403 |
| Charitable Activities | | | |
| - Provision of Care | 4,993,544 | 268,142 | 5,261,686 |
| Total Expenditure | 9,178,583 | 268,142 | 9,446,725 |
| Net income before gains/(losses) on investments | 332,060 | (56,343) | 275,717 |
| Net gains/(losses) on investments | (626,920) | - | (626,920) |
| Net Income / (Expenditure) | (294,860) | (56,343) | (351,203) |
| Gross transfers between funds | 8,117 | (8,117) | - |
| Net movement in funds | (286,743) | (64,460) | (351,203) |
| Reconciliation of Funds | | | |
| Funds balances brought forward | 18,270,216 | 877,745 | 19,147,961 |
| Fund balances carried forward | 17,983,473 | 813,285 | 18,796,758 |

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Notes to the Financial Statements - continued
for the year ended 31 March 2024

33. PRIOR YEAR MOVEMENT IN FUNDS – GROUP

| | Balance at 1 Apr 2022 £ | Incoming resources £ | Outgoing resources £ | Transfers £ | Unrealised gain on Investments £ | Balance at 31 Mar 2023 £ |
|------------------------------|----------------------------------|----------------------------|----------------------------|------------------|---|-----------------------------------|
| Unrestricted funds | | | | | | |
| General funds | <u>10,789,789</u> | <u>9,510,643</u> | <u>(9,107,929)</u> | <u>(814,865)</u> | <u>(626,920)</u> | <u>9,750,718</u> |
| Designated Funds | | | | | | |
| Care in Community | 40,013 | - | - | - | - | 40,013 |
| Fixed Assets | 5,343,132 | - | - | (138,778) | - | 5,204,354 |
| Planned Deficits | 1,226,000 | - | - | 961,760 | - | 2,187,760 |
| Major Capital Projects | 500,000 | - | - | - | - | 500,000 |
| Hospice Staff Costs | 125,000 | - | - | - | - | 125,000 |
| Transition | <u>246,282</u> | <u>-</u> | <u>(70,654)</u> | <u>-</u> | <u>-</u> | <u>175,628</u> |
| | <u>7,480,427</u> | <u>-</u> | <u>(70,654)</u> | <u>822,982</u> | <u>-</u> | <u>8,232,755</u> |
| Restricted funds | | | | | | |
| Building | 588,717 | - | - | (8,117) | - | 580,600 |
| Hospice Equipment | 39,487 | 16,000 | (39,959) | - | - | 15,528 |
| Staff Costs | 183,593 | 65,952 | (149,813) | - | - | 99,732 |
| Hospice Service Users | 31,159 | 25,171 | (42,412) | - | - | 13,918 |
| Hospice Refurbishment Appeal | - | 96,206 | (250) | - | - | 95,956 |
| Hospice IT | - | - | - | - | - | - |
| Garden Works Project | 34,789 | 3,356 | (35,708) | - | - | 2,437 |
| Care in Community | - | 5,114 | - | - | - | 5,114 |
| | <u>877,745</u> | <u>211,799</u> | <u>(268,142)</u> | <u>(8,117)</u> | <u>-</u> | <u>813,285</u> |
| | <u>19,147,961</u> | <u>9,722,442</u> | <u>(9,446,725)</u> | <u>-</u> | <u>(626,920)</u> | <u>18,796,758</u> |