

REGISTRAR

Charity Registration No. 01014051

Company Registration No. 02743297 (England and Wales)

**COPE CHILDREN'S TRUST
(LIMITED BY GUARANTEE)
AND SUBSIDIARY**

**OPERATING AS
RAINBOWS HOSPICE FOR
CHILDREN AND YOUNG PEOPLE**

**TRUSTEES' REPORT
AND ACCOUNTS
FOR THE YEAR ENDED
31 MARCH 2013**



COPE CHILDREN'S TRUST (LIMITED BY GUARANTEE) AND SUBSIDIARY

CONTENTS

	Page
Trustees' report	1 – 11
Auditors' report	12 – 13
Consolidated statement of financial activities	14
Summary income and expenditure account	15
Consolidated balance sheet	16
Company balance sheet	17
Consolidated cash flow statement	18
Notes to the financial statements	19 – 34

COPE CHILDREN'S TRUST (LIMITED BY GUARANTEE) AND SUBSIDIARY

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2013

The Trustees are pleased to present their Annual Report together with the consolidated financial statements of the Charity and its subsidiary for the year ended 31 March 2013 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes

The financial statements comply with the Charities Act 1985, the Memorandum and Articles of Association, and the Statement of Recommended Practice – Accounting and Reporting Charities (SORP 2005)

Report from the Chair of Trustees

So often in the press we read stories identifying the poor level of care delivered in various healthcare organisations across the UK. It is therefore with tremendous pride that Rainbows has yet again received an excellent report from the Care Quality Commission. The consistently high level of care delivered at Rainbows is a direct reflection of the hard work and professionalism of the Nurses and Care Team. Excellent health care provision does not just happen!

The complexity of care given to the children and young people at Rainbows continues to grow with, for example, the team now successfully supporting fully ventilated children. We have increased physiotherapy support as the holistic care offered by Rainbows is much more than just tablets and medicine.

Over the last twelve months over £4.9m has been raised to support the day to day running of the hospice. A tremendous achievement by the Rainbows Fundraising Team and very big thank you to all our ambassadors, volunteers and donors who made this possible. It now requires nearly £5m per annum to provide the services at Rainbows so to all of these wonderful people thank you and keep going!

As part of our fundraising strategy we have commenced the process to open a chain of Rainbows charity shops. Shops are now open in Melton Mowbray, Blaby and Matlock and at this early stage are already making a valuable contribution.

As always the support we receive from our President, the Duchess of Rutland, and her family is first class and we enjoy tremendous support from our Patrons and I am pleased to welcome Angela Rippon, Tony Jacklin and Matthew Hoggard as new incumbents.

I am privileged to work with a professional team of Trustees and welcome Anne-Mana Olphert, Nina Pancholi, Diane Postle and Jane Williams as recent additions and thank departing Trustees, Sean McClafferty, Rebecca Singleton and a special thank you to Cate Boulton our previous Chair.

As always I should like to thank everyone involved at Rainbows whether Staff, Doctors, Volunteer or Trustees for their on-going support in delivering a first class, professional service.

Finally, but most importantly, I should like to thank the people of the East Midlands for their on-going generosity in supporting Rainbows. It now costs £5million per year to fund Rainbows and the overwhelming majority of this is raised and donated by the people of the East Midlands. We cannot thank our supporters enough, quite literally the children, young people and families of Rainbows depend on you.



K Elliott
Chair of Trustees

Dated 18 September 2013

COPE CHILDREN'S TRUST (LIMITED BY GUARANTEE) AND SUBSIDIARY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2013

Reference and Administrative Details

Charity number 01014051
Company number 02743297

Principal Office

Rainbows Hospice for Children & Young People
Lark Rise
Loughborough
Leicestershire
LE11 2HS

Auditors

Newby Castleman
West Walk Building
110 Regent Road
Leicester
LE1 7LT

Bankers

National Westminster Bank plc
Granby Street
Leicester
LE1 9GT

CAF Bank Ltd
P O Box 289
West Malling
Kent
ME19 4TA

Derbyshire Building Society
37 Market Street
Ashby de la Zouch
Leicestershire
LE65 1AG

HSBC
P O Box 13
41 Market Place
Loughborough
Leicestershire
LE11 3EJ

Northern Rock plc
Northern Rock House
Gosforth
Newcastle upon Tyne
NE3 4PL

Alliance and Leicester Commercial Bank
Carlton Park
Narborough
Leicester
LE19 0AL

Santander Corporate Banking
Leicester Corporate Centre
5th Floor, Permanent House
Horsefair Street
Leicester
LE1 5BJ

Barclays Commercial Bank
P O Box 1500
Dominus Way
Meridian Business Park
Leicester
BX3 2BB

Lloyds TSB Corporate Markets
P O Box 545
Faryners House
25 Monument Street
London EC3R 8BQ

Co-operative Bank
PO Box 250
Skelmersdale
WN8 6WT

Solicitors

The Smith Partnership
New Oxford House
22-24 Halford Street
Leicester
LE1 1JB

Spearing Waite
41 Friar Lane
Leicester
LE1 5RB

Investment Managers

Brewin Dolphin Ltd
12 Smithfield Street
London EC1A 9BD

COPE CHILDREN'S TRUST (LIMITED BY GUARANTEE) AND SUBSIDIARY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2013

Directors and Trustees

The Directors of the Charitable company (the Charity) are its Trustees for the purpose of Charity law and throughout this report are collectively referred to as the Trustees

The Trustees serving during the year and since the year end were as follows

Trustees:

Mr John Barker (Vice Chair)
Mrs Joanne Brunner (from 21 11 12)
Mrs Catherine Boulton RGN, RHV, MSc (to 31 8 12)
Mrs Alison Breadon CPFA LLB (Hons))
Mr Kevin Elliott FRICS, MCIPS (Chair)
Mrs Leela Kapila OBE FRCS
Dr Sheila Marnott
Mr Sean McClafferty (to 18 7 12)
Mrs Anne-Maria Olphert (from 2 7 12)
Mrs Nina Pancholi (from 21 11 12)
Mrs Diane Postle (from 19 9 12)
Mr Alan Roberts LLB
Mrs Rebecca Singleton (to 15 5 13)
Dr Jane Williams (from 15 5 13)

Chief Executive Officer:

Mr Geoffrey Ellis

Company Secretary

Mr Stephen Hodges

Founder:

Mr Harry Moore

President:

The Duchess of Rutland

Vice President:

Dame Elizabeth Fradd RSCN, SCM, RN, HV,
MSc

Honorary Patron

Sir Lionel Tollemache Bt, JP, DL

Patrons:

Mr Matthew Hoggard MBE
Mr Tony Jacklin CBE
Dr Gary Lineker OBE, MA (Hons) Lo'boro,
MA (Hons) Leicester
Mr Darren Maddy
Mr Dean Richards
Miss Angela Rippon OBE
Mr William Roache MBE
Mr Peter Shilton OBE
Mr Willie Thorne

Aims, Objectives and Activities

Aims

To provide short breaks, emergency, palliative and end of life care to children and young people with life limiting conditions and to provide family, community and bereavement support

Objectives

The objectives of the Charity are

- Always to be there, and to strive to meet the needs of the children, young people and their families in our care
- Working in partnership with children, young people, their families and carers to provide accessible, flexible and friendly home from home services
- To be a place that offers support, relaxation and rest, enriching quality of life To ensure the provision of individualised holistic care which meets identified physical, emotional, psychological, spiritual and cultural needs.
- Within this nurse/therapy led environment we aim to provide the highest quality of family centred care to life-limited children, young people and their families The interdisciplinary team provides an evidence based, holistic approach to respite and end of life care, symptom control and bereavement support

The vision that shapes our activities remains the provision of a centre of excellence in delivering palliative care to children and young people The Hospice offers dynamic forward thinking services meeting ethnic, cultural, religious, spiritual and care needs of those using the services

In setting our objectives and planning our activities the Trustees have given careful consideration to the Charity Commission's general guidance on public benefit

The strategies employed to achieve the charity's aims and objectives are divided into four key target areas These are

- **Clinical and Professional** - To develop and take forward a range of palliative care services for children and young people in response to identified and expressed need To work in partnership with all key stakeholders to achieve holistic, seamless care

COPE CHILDREN'S TRUST (LIMITED BY GUARANTEE) AND SUBSIDIARY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2013

- **Financial** - To continue to increase income and maintain financial security
- **Organisational** - To continue developing and working to robust organisational processes which meet legal and statutory requirements
- **Education and Development** - To continue as a regional provider of education, training, research and developments in palliative care working in collaboration with other professionals and organisations

Clinical and Professional

Rainbows Hospice for Children and Young People provides specialist complex, palliative and end of life care. This holistic care includes specialist nursing, palliative medicine and therapies, including complementary therapy, music therapy, generic therapy, physiotherapy, play therapy and hydrotherapy.

The facilities in the therapies wing, including the hydrotherapy pool, are now also made available to some local baby groups. We are currently looking into the possibility of extending this joint working to include therapy services from local hospitals who have expressed an interest in using our facilities.

Every child/young person has an individualised care plan that details all of their care needs and choices, including information about the ways in which each child/young person communicates with their carers.

Rainbows has continued to develop support for children and young people who are technology dependent. The hospice currently supports many children and young people who receive long term ventilation, seven of whom have life sustaining ventilation, and are unable to breathe without this intervention. The hospice continues to work in partnership with local hospitals and community children's nursing teams to support children and young people with increasingly complex needs that often cannot be met elsewhere.

Play and activities remain integral to the work of the care team at Rainbows. They include opportunities to go to planned events outside of Rainbows as well as visits to the Hospice by local artists and entertainers such as 'The Animal Man' and drama groups. There is a dedicated Play Team to oversee this work and they ensure that the care team has access to detailed information about each child/young person's favourite activity so that everyone who comes to stay at Rainbows enjoys their time.

The Play Team co-ordinates specialist pre-school Family Fun Days. These are family centred to enable the whole family of pre-school children to spend a day enjoying time together participating in a themed activity that also supports the children's physical and generic therapy needs. These fun days are very well attended and are evaluated by families that participate.

Rainbows has a dedicated team who take a lead role in working with teenagers and young people. Each young person over the age of 14 has a named transition worker to support them in understanding options and making plans for their future care. The Young People's Team works in partnership with teenagers and young people over the age of 18 and families to develop services and activities specifically for this group. Rainbows also hosts day care sessions for young adults with a range of complex and/or palliative care needs.

A review of the services provided by Rainbows was undertaken in January 2013. This included consultation with children, young people, their families and carers. Following this review the hospice has re-structured the Senior Nurse Team and created the new posts of Matron and Deputy Matron.

Following the success of our Burdett Trust funded project to increase work with children and young people who have oncology needs there has been a significant increase in the number of referrals with oncology diagnoses. We are continuing to develop this area of work and are forging strong links with both children's and Adult community and Acute Trust Oncology services.

A Family Support Team member contacts all families on referral to Rainbows. The team works in partnership with local PCT and Social Care Providers to support families in the community, as well as when they are resident at the Hospice. The Team offers a range of services including spiritual and cultural support, emotional support, benefits advice, key worker role, liaison and joint working with other agencies, advocacy, play therapy, music therapy, complementary therapy, parents' support group, Muscular Dystrophy support group, Asian mums' group, sibling support visits and groups, youth work, youth forum, clinical assessment, symptom management, end of life care planning and bereavement support. There is a monthly parent/carers group and drop-in sessions that are highly valued by all who attend. We also have a dedicated family liaison officer who supports families who wish to participate in fundraising and media events on behalf of the Hospice.

COPE CHILDREN'S TRUST (LIMITED BY GUARANTEE) AND SUBSIDIARY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2013

There is a dedicated Sibling Support Worker who provides 1:1 support for siblings at home or during times when they are visiting the Hospice. The Sibling Support Worker also organises a number of targeted events and Sibling Support days throughout the year.

Whilst bed occupancy levels achieved this year (68%) was below that which we aim for (80%), the Hospice is now able to accept children and young people with more complex needs. The Hospice received 103 referrals during the period, 70 were accepted and 9 are pending. Sadly 34 children died during the year. The quiet room was used for a total of 139 days. The family support team currently supports 240 families (215 in 2011/2012).

Financial

The lottery has grown steadily throughout the year and has increased by over 2,000 members to 7,500. Trust income, corporate, major gift, and in memoriam income have all increased though community income is down. Legacy income increased to over £1 million.

The first three Rainbows shops opened during the year and are being closely monitored with more shop openings planned during 2013/14.

There has been significant growth in legacy income and another successful Make a Will month was held in May.

We are continuing to benchmark our fundraising activities against another seven children's hospices as part of a Business Development Group.

Costs of generating funds detailed in the Notes to the Financial Statements on page 23 of these accounts were £1,325,490 (2012 - £1,067,334).

Organisational

The Board of Trustees and the Senior Management Team have a wealth of valuable skills, qualifications and experience, including the unique insight of a parent Trustee, which they use to support and advise the work of the Hospice so that the objectives of the business plan can be achieved. The Trustees ensure organisational stability, with succession planning to cover all key employees.

The Hospice care team includes registered nurses, the majority of whom have children's or other relevant specialist qualifications. Other members of the care team are highly skilled and have a variety of qualifications including degrees, NNEB or equivalent, NVQs at level 3 or 4, play specialist and

complementary therapy qualifications. The Hospice also has the support of a clinical pharmacist, occupational therapist, physiotherapist, speech & language therapist and a music therapist. Dedicated housekeepers and chefs support the work of the care team.

Twenty-four hour medical support is provided by a team of local GPs, led by Dr Sat Jassal (Medical Director), with expertise and qualifications in the field of children's palliative care.

The Hospice has experienced administrative, fundraising and accounts teams. Our estate and maintenance programme is managed by our facilities team.

The Diversity Forum is chaired by a member of the Board of Trustees. A Diversity Strategy and action plan has been created and continues to be developed. Significant work is being progressed using the Children's Hospices UK Diversity Toolkit.

Education and Development

Rainbows Hospice recognises that the on-going education and development of employees and volunteers is crucial to the successful achievement of goals and targets set in the strategic plan and to the maintenance of professional accreditation.

An Education and Development Strategy has been written to outline the way in which we will take staff education and personal development forward at Rainbows over the next five years.

E-learning packages have been introduced for some Health & Safety training.

Rainbows is committed to the development of organisation-wide learning. Whilst there is considerable focus on the needs of the clinical team, there are also opportunities for training and development within other areas, including Clerical and Administration, Human Resources, Accounts, Fundraising and for Volunteers.

Professional development opportunities are recorded at Rainbows Hospice to reflect learning opportunities offered to employees. This includes events such as conferences, study days, bite-sized training/awareness sessions, shadowing, other staff, networking visits etc. There is also a Hospice induction programme available for all staff, bank staff, volunteers, and Trustees with mentorship and support for new staff.

COPE CHILDREN'S TRUST (LIMITED BY GUARANTEE) AND SUBSIDIARY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2013

Clinical competency is assessed annually and a rolling programme of mandatory training is well established. It is hoped that by providing a continuous approach to mandatory training, the more specialist training opportunities will be offered at other times during the year to limit the number of closure days.

A grant was awarded by End of Life Care Educational Funding via the Deanery which helped us to support development in education and training providing a sexuality and palliative care conference and two/two day courses to support advanced communication skills across the region. Both of which were well evaluated.

Many areas of training, in particular Health and Safety (Fire, Midas, COSHH, Infection Control and Food Hygiene) and Life and Coaching Skills, have been carried out free of charge by local businesses and colleges. Reciprocal training opportunities are being developed with LOROS for Safeguarding training. This continued support enables the Hospice to provide a cost effective high level of education and training. The Hospice is very grateful for this donation of both time and expertise.

Rainbows continues to support the needs of students and we have continued to work closely with the local universities both in supporting students on placement here and offering clinical expertise, education and training in Palliative Care across the region and further afield. Palliative Care courses are run at different academic levels to meet the identified training needs of internal staff and others external to the organisation. We have also set up good links with Leicestershire Police force and De Montfort University supporting Police Placements around working in diverse communities. This year we have supported our first Medical student elective placement and this has also been very successful.

The vision for the future of the Education and Development team is to promote

- A life-long learning culture and evidence based practice
- A multidisciplinary team approach to the delivery of education and an individual, personal responsibility for professional development
- A workforce who are equipped with the knowledge and skills to meet the needs of the organisation and the children, young people and families who access the Hospice

The training team consists of the Lead Nurse for Education, Training and Development, 2 part time Practice Development Nurses and a Training Co-ordinator. A variety of other clinical/non-clinical staff

support training across the organisation leading on mandatory and some role specific training.

Our Volunteers

We continue to be supported by just under 350 active volunteers who help in the delivery of services and facilities at the hospice as well as with supporting fundraising, events, shops and promotion of the Charity in the local community. We are also grateful for the support of a approximately another 150 volunteers who are recruited to assist on an ad hoc basis with large fundraising events such as the Walk of Life, not forgetting the "Friends of Rainbows" groups who give their time to raise both funds and the profile of Rainbows organising events in their local area. We continue to be supported by many local businesses that help to provide manpower for on-going maintenance and gardening projects.

During 2012/13, recruitment of volunteers focussed on the three shops which opened within a month of each other. Campaigns in all areas were successful with 36 individuals signed up from the outset. We have 63 volunteers who continue to support the retail operation. Volunteer turnover in this area is buoyant, with many using it as an opportunity to gain work experience and other skills in their search for paid employment. We are delighted to help individuals who are in pursuit of this goal. The foundations were also laid for the introduction of volunteers to support the delivery of services in the clinical area with a pilot project that began in March 2013. Work continues in this area and the official launch is planned in the latter half of 2013.

The volunteers bring a wealth of talents, skills and experience to Rainbows and it is impossible to place a true value on this, but a conservative estimate of the time given would value their efforts, at the minimum wage, at approximately £115,211 (£60,012 in 2011/12). Thank you to them all.

Hospice Vision

The vision for the future of Rainbows Hospice for Children and Young People is -

- To be a centre of excellence in delivering palliative care to children and young people. To ensure the Hospice offers dynamic forward thinking services meeting the ethnic, cultural, religious, spiritual and care needs of those using the service.
- To be financially secure and retain a minimum of seven months organisational running costs in reserves.
- To be an organisation with robust processes that meet legal and statutory requirements.

COPE CHILDREN'S TRUST (LIMITED BY GUARANTEE) AND SUBSIDIARY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2013

- To be a Regional Centre leading in the provision of high quality training, education, research and developments in Palliative Care
- To continue to expand our expert service provision to include young adults between the ages of 18 and 30, offering dedicated, age appropriate palliative care together with activities that meet individual needs

Achievements and Performance

The successful completion of Rainbows' "Building for the Future project" in September 2010 enabled the hospice to expand from eight to 12 beds. It has also provided additional resources, including a dedicated lounge and activities area for young people, a doctors' consulting room and a new hydrotherapy pool, as well as a large soft play room, multisensory room and complementary therapies room. The hospice has continued to develop services in line with the new facilities and at the end of April 2012 the last of the 12 beds became fully operational.

The recruitment of new nurses and care team members to manage the four additional beds has enabled us to increase our ability to independently care for children and young people with technology dependent needs, including long term, life sustaining ventilation.

We have now also appointed a physiotherapist to lead on the development of services for children and young people with respiratory and neuro degenerative conditions.

In the autumn of 2011, with funding from the Burdett Trust Nursing Leadership Grant, Rainbows began work towards increasing the support we offer to children and young people with oncology conditions. This project has been led by the Clinical Nurse Specialist for Palliative Care who has worked in close partnership with both hospital and community multi-disciplinary oncology teams.

The facilities for young people have continued to thrive and Rainbows now offers day care for young adults with complex care needs on two days per week as well as day care for young adults with neuromuscular conditions on one day per week. We now also regularly care for young adults alongside children within the hospice.

Dr Sat Jassal, Rainbows' Medical Director, has over this year chaired the national group that has produced the second edition of the National Medicine Formulary in Paediatric Palliative Medicine. This was published in

July 2012 and has already been translated into Russian and adopted throughout the United Kingdom and many countries around the world. He has also started to compile the 9th edition of the Rainbows Hospice Symptom Control Manual. On a national level, Dr Jassal continues to sit on the Policy and Procedure board of The Association for Children's Palliative Care and as an executive member of the APPM. He continues to work on educational standards for future paediatric palliative doctors.

Dr Jassal has made a huge contribution to the education and training of all staff at the Hospice and to many other professionals locally and nationally. He has lectured to Specialist Registrars in Paediatrics in the Trent region, on the MSc course in Pain and to specialist nurses. He continues in his role as examiner for the diploma of Paediatric Palliative Medicine, run by the University of Cardiff Medical School. He continues to provide assessments and management of children for hospital consultants all over the country. With the use of his new consulting room he is now able to provide an ad hoc outpatient service. He is also the Child Health Lead for West Leicestershire CCG and is currently working with Together for Short Lives to develop Department of Health guidance on children's palliative care for CCG's in England.

During the past four years the focus of Rainbows Marketing and Communications Strategy has been on developing its public relations and online presence. Press reports mentioning Rainbows, including appearances on national television, has increased from 75 per month in 2009 to the current level of 121 per month, of which one per day, on average, is generated centrally. Online income has increased to a monthly average of £17,475, monthly donations through Rainbows' own website now average £2,000 compared with £200 in 2008. For each marketing campaign, Rainbows can now cost effectively reach 7,991 Facebook members (2008 – 400), 7,915 Facebook Causes members (2008 – 0), 2,115 Twitter members (2008 – 0), over 30,000 e-mail recipients (2008 – 1,400) and our website receives over 10,000 visits per month (2008 – approx 3,000).

Financial Review

Results for the year ended 31st March 2013 are given in the consolidated Statement of Financial Activities on page 14. This, together with the Consolidated Balance sheet on page 16, should be read in conjunction with their related notes which have been produced in accordance with SORP 2005.

A contingent liability of £500,000 exists at 31st March.

COPE CHILDREN'S TRUST (LIMITED BY GUARANTEE) AND SUBSIDIARY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2013

2013 in respect of an on-going unresolved claim relating to the construction of the new therapy wing. The Trustees are of the opinion that this claim is unlikely to be successful, consequently, no provision is included in these financial statements.

Charitable Income

Total income in the year grew by just over 15% from £4,252,627 to £4,904,381.

We continue to be supported through the generosity of the people of the East Midlands who sustain us by their fundraising efforts and generous donations. Our facilities and the service that we provide are now second to none and we can only maintain the high level of care we provide for children and young people with the continuation of that support. We have been carried through the economic downturn thanks to the support of our donors, and our challenge is to maintain and build on that support into the future.

Unrestricted reserves increased by £356,855 during the year.

Charitable Expenditure

Staff employment costs were the largest item of expenditure in the year, and they represent the salaries of the care team within the Hospice and the team of staff who provide support throughout the Hospice.

The Board of Trustees now recommends a minimum of seven months' budgeted running costs to be available as free reserves to enable the Hospice to fully open all the beds.

Total resources expended increased in the year by 11% to £4,922,041. The new facilities are now fully open and utilised.

Investment Policy

The Trustees, having regard to the liquidity requirements of operating the Hospice and to the reserves policy, have operated a policy of keeping a large proportion of available funds in interest bearing deposit accounts and seek to achieve a rate of deposit interest which matches or exceeds inflation. However, the Trustees have placed the security of cash deposits above possible financial return.

Where monies are available that are not needed to fund immediate charitable activities the Trustees have appointed Brewin Dolphin as Investment Managers on a discretionary basis. Regular communication is maintained between the investment managers and

the Corporate Governance Committee relating to all portfolio changes. The Trustees exercise the "duty of care" described in the Trustee Act 2000 with regards to all investments.

Reserves Policy

The Trustees have established the level of reserves (funds that are freely available) that the Charity ought to have. Reserves are needed to bridge any funding gaps between running the Hospice and receiving monies from fundraising. Reserves are also held to cover any emergencies to enable current activities to continue in the short term should funding drop significantly. The Trustees therefore consider the minimum level of reserves as at 31st March 2013 should be the equivalent of 7 months' budgeted running costs. Both the policy and its implementation are under regular review. The Trustees wish to maintain sufficient reserves to allow for the running costs of the new facilities and to further develop additional services. The Trustees are aware that the economic climate could still provide a challenging environment in the year to come.

Plans for the Future

Plans for the increase in service provision and providing age appropriate facilities for children and young people up to the age of 30 have been implemented in line with our strategic plan. The new facilities, completed in September 2010, are now being fully utilised.

The challenge for Rainbows is to maintain and grow our support throughout the East Midlands so that we continue to achieve our mission statement to improve the lives of life-limited children, young people and their families that use the services of the Hospice.

Having successfully achieved many of the milestones identified in Rainbows five year plan 2007 to 2012 a new strategic document for 2012-2017 has been prepared identifying key targets and goals for the next five years that will allow the Hospice to continue to build on past achievements. The core aim will remain focussed on improving the lives of life-limited children, young people and their families that use the services of the Hospice.

Key targets and goals will once again be identified in the four broad categories below -

- **Clinical and Professional** - To develop and take forward a range of palliative care services for children and young people in response to identified and expressed need. To work in

COPE CHILDREN'S TRUST (LIMITED BY GUARANTEE) AND SUBSIDIARY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2013

partnership with all key stakeholders to achieve holistic, seamless care

- **Financial** - To continue to increase income and maintain financial security
- **Organisational** - To continue developing and working to robust organisational processes which meet legal and statutory requirements
- **Education and Development** - To continue as a regional provider of education, training, research and developments in palliative care working in collaboration with other professionals and organisations

Commentators are divided as to how long the recession will last and this will present a challenge to all voluntary organisations. Our prudent approach over the last few years has enabled us to move ahead with sustainable growth in our services. Rainbows continues to make progress and has a clear vision of how it wishes to develop and grow. This would not be possible without the dedication of our staff, our volunteers and our supporters.

There have been a huge number of achievements over the last 19 years for Rainbows Hospice. There are now a number of new targets and goals to work towards. These will be reviewed regularly by the Board of Trustees and the Senior Management Team to assess progress and the outcomes and achievements will be recorded.

Structure, Governance and Management

Governing Document

COPE Children's Trust, operating as Rainbows Hospice for Children and Young People, is a registered Charity and a company limited by guarantee with one trading subsidiary, namely Cope Marketing Ltd. Rainbows Hospice in Loughborough is primarily engaged in the provision of specialist respite, symptom control, palliative and end of life care for children and young people with a life-limiting condition. The Governing document of the Charity is the Memorandum and Articles of Association of the Company dated 18th August 1992 and amended to allow for current governance arrangements on 17th May 2002 and 19th January 2006. It is registered as a Charity with the Charity Commission.

Appointment of Trustees

Trustees are appointed in accordance with the Articles of the Company and serve for an initial period of three years. An audit of the Trustees' skills and a review of available skills is completed annually and also undertaken in relation to any vacant positions. All Trustees are also directors of the Company Limited by Guarantee. The constitution dictates that one third of the board stand down each year comprising the longest serving Trustees. Those Trustees may stand for re-election if proposed. The Board, on an annual basis, elects the Chair, Vice Chairs and Treasurer, with the Chair usually serving three to six years.

Trustee induction and training

New Trustees undergo an orientation day to brief them on their legal obligations under Charity and Company Law, the content of the Memorandum and Articles of Association of the Company, the committee and decision making processes, the business plan and recent financial performance of the Charity. During the induction day they meet key employees and other Trustees. Training needs are discussed annually with the Chair as part of the appraisal process and Trustees can access training from a variety of sources. There are Trustee/Senior Management "away days" including training, education and strategic planning.

Organisation

The Board of Trustees administers the Charity. As a registered Charity, a limited company, an employer and a provider of health services to vulnerable children and young people, the Trust faces complex legislative and inspection arrangements. The Trustees have the responsibility to ensure that all the activities comply with best practice and that reliance can be placed on well-documented procedures that are consistently applied. Two groups have been established to check that adequate procedures exist and to monitor by inspection that they are used effectively: a Corporate Governance committee comprising both Trustees and senior managers, and a Clinical Governance committee consisting of suitably qualified Trustees, the Director of Care and the Medical Director or his representative. Both committees report to the full Board of Trustees. During the period the full Board of Trustees met 6 times including the AGM, the Corporate and Clinical Governance committees each met 6 times. To facilitate effective operations the Chief

COPE CHILDREN'S TRUST (LIMITED BY GUARANTEE) AND SUBSIDIARY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2013

Executive Officer has delegated authority, within terms of delegation approved by the Trustees, for operational matters including employment, finance, and the day-to-day running of the Hospice

Related Parties

None of our Trustees receive remuneration or other benefits from their work with the charity. Any personal interest between a Trustee or senior manager with the charity's activities must be disclosed to the full board of Trustees in the same way as any other contractual relationship with a related party. Transactions with related parties are disclosed in note 21 to the accounts.

The charity's wholly owned subsidiary Cope Marketing Ltd was established for non – primary trading activities and covenants its profits to the charity (see note 21 to the accounts).

Statement on Public Benefit

The Trustees confirm that they have complied with the duty in section 4 of the Charities Act 2006 to have due regard to public benefit guidance published by the Charity Commission in determining the activities undertaken by the charity.

Risk Management

Through the risk management processes established for the charity, the Trustees are satisfied that the major risks identified have been adequately mitigated where necessary.

Major risks are identified and ranked in terms of their potential impact and likelihood, they are those which have a high likelihood of occurring and would, if they occurred, have a severe impact on the operational performance, achievement of aims and objectives or could damage the reputation of the charity, changing the way Trustees, supporters or beneficiaries might deal with Rainbows.

The annual review has identified only a few minor risks but has resulted in improved procedures and contingency plans and has given the impetus for better planning. Particular attention was focused on non-financial risks which might arise from shortages of qualified and experienced staff which could affect the Charity's ability to comply with healthcare requirements.

A key element in the management of financial risk is the setting of a reserves policy and its regular review by the Trustees. The policy is informed by forecasts of

future income levels, expenditure in future years, an analysis of future needs, opportunities, contingencies or risks, the effects of which are not likely to be met out of income if and when they arise and an assessment on the best evidence reasonably available, of the likelihood of each of those needs arising and the potential consequences for the charity of not being able to meet them.

From an employment perspective, the charity aims to recruit and maintain a motivated, skilled workforce, providing training and support as appropriate. It maintains high standards in its employment practices to ensure the fair and efficient use of its most valuable asset, people.

Low risks have been brought together in a "low risk register" in order that sight is not lost of the fact that the risk exists even if it is considered to have a low severity or impact at the time the risk was considered.

The Trustees are delighted that their commitment to the health and well-being of those who work for or come into contact with us at the Hospice or at fundraising events do so in an environment that is as safe as it can be. Having gained the 8th RoSPA Gold Award this work will continue.

During the year the Charity purchased Trustee Indemnity Insurance at a cost of £4,363 (2012 - £4,363).

COPE CHILDREN'S TRUST (LIMITED BY GUARANTEE) AND SUBSIDIARY

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees who are also directors of COPE Children's Trust (Limited by Guarantee) for the purposes of company law are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

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

- select suitable accounting policies and then apply them consistently,
- observe the methods and principles in the Charities SORP,
- make judgements and 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 in operation

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 enable them 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 the group, and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware

- there is no relevant audit information of which the charitable company's auditor is unaware, and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

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

Auditors

A resolution proposing that Newby Castleman be reappointed as auditors of the company will be put to the members.

On behalf of the Board of trustees



K Elliott
Chair of Trustees

Dated 18 September 2013

COPE CHILDREN'S TRUST (LIMITED BY GUARANTEE) AND SUBSIDIARY

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF COPE CHILDREN'S TRUST (LIMITED BY GUARANTEE)

We have audited the accounts of the group and parent charity COPE Children's Trust (Limited by Guarantee) for the year ended 31 March 2013 set out on pages 14 to 34. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of COPE Children's Trust (Limited by Guarantee) for the purposes of company law, are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view.

We have been appointed auditor under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts. Our responsibility is to audit and express an opinion on the accounts in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the accounts

An audit involves obtaining evidence about the amounts and disclosures in the accounts sufficient to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the group's and parent charity's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the trustees, and the overall presentation of the accounts. In addition, we read all the financial and non-financial information in the Trustees' Annual Report to identify material inconsistencies with the audited accounts. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on accounts

In our opinion the accounts

- give a true and fair view of the state of the group's and parent charitable company's affairs as at 31 March 2013 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Report for the financial year for which the accounts are prepared is consistent with the accounts.

**COPE CHILDREN'S TRUST (LIMITED BY GUARANTEE) AND SUBSIDIARY
INDEPENDENT AUDITORS' REPORT (CONTINUED)
TO THE MEMBERS OF COPE CHILDREN'S TRUST (LIMITED BY GUARANTEE)**

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Act 2011 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us in respect of the parent charitable company, or
- the parent charity accounts 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

Paul Barnett FCCA (Senior Statutory Auditor)
for and on behalf of Newby Castleman
Chartered Accountants
Statutory Auditor
West Walk Building
110 Regent Road
Leicester
LE1 7LT

Date 18 September 2013

Newby Castleman Chartered Accountants is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

COPE CHILDREN'S TRUST (LIMITED BY GUARANTEE) AND SUBSIDIARY

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2013

	Notes	Unrestricted funds £	Restricted funds £	Total 2013 £	Total 2012 £
<u>Incoming resources from generated funds</u>					
Voluntary income	2	3,352,589	561,376	3,913,965	3,403,722
Activities for generating funds		917,759	-	917,759	743,298
Investment income	3	72,657	-	72,657	105,607
Total incoming resources		4,343,005	561,376	4,904,381	4,252,627
<u>Resources expended</u>					
Costs of generating funds					
Costs of generating donations and legacies		1,322,490	3,000	1,325,490	1,067,334
Net incoming resources available		3,020,515	558,376	3,578,891	3,185,293
Charitable activities					
Direct care costs		1,992,293	498,668	2,490,961	2,272,857
Care support costs		388,565	-	388,565	395,203
Establishment costs		247,019	412,962	659,981	650,653
Total charitable expenditure		2,627,877	911,630	3,539,507	3,318,713
Governance costs		57,044	-	57,044	50,025
Total resources expended	4	4,007,411	914,630	4,922,041	4,436,072
Net incoming/(outgoing) resources		335,594	(353,254)	(17,660)	(183,445)
Other recognised gains and losses					
Gains on investment assets		71,246	-	71,246	11,883
Net movement in funds		406,840	(353,254)	53,586	(171,562)
Transfer between funds	15	(49,985)	49,985	-	-
Fund balances at 1 April 2012		4,988,560	4,210,560	9,199,120	9,370,682
Fund balances at 31 March 2013		5,345,415	3,907,291	9,252,706	9,199,120

The transfer between funds represents the reallocation of building costs from unrestricted funds to restricted funds

Restricted funds totalling £3,907,291 relate to the cost of the Hospice Buildings, equipment and future restricted expenditure. General unrestricted funds available for Hospice running costs amount to £5,345,415.

COPE CHILDREN'S TRUST (LIMITED BY GUARANTEE) AND SUBSIDIARY

SUMMARY INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2013

	2013	2012
	£	£
Gross income	4,904,381	4,252,627
Gain/(loss) on disposal of investment assets held by income funds	6,643	(617)
Total income	4,911,024	4,252,010
Total expenditure from income funds	4,922,041	4,436,072
Net (expenditure) for the year	(11,017)	(184,062)

The summary income and expenditure account is derived from the statement of financial activities on page 14 which, together with the notes on pages 19 to 34, provides full information on the movements during the year on all funds of the Charity

STATEMENT OF RECOGNISED GAINS AND LOSSES

Net (expenditure) for the year	(11,017)	(184,062)
Unrealised gains on investment assets held by income funds	64,603	12,500
	53,586	(171,562)

COPE CHILDREN'S TRUST (LIMITED BY GUARANTEE) AND SUBSIDIARY

CONSOLIDATED BALANCE SHEET

AS AT 31 MARCH 2013

	Notes	£	2013 £	£	2012 £
Fixed assets					
Tangible assets	9		4,121,328		4,467,533
Investments	10		1,187,134		958,476
			<u>5,308,462</u>		<u>5,426,009</u>
Current assets					
Stock	11	13,632		6,553	
Debtors	12	424,618		513,462	
Cash at bank and in hand		3,824,775		3,557,819	
		<u>4,263,025</u>		<u>4,077,834</u>	
Creditors: amounts falling due within one year	13	(318,781)		(304,723)	
Net current assets			<u>3,944,244</u>		<u>3,773,111</u>
Total assets less current liabilities			<u>9,252,706</u>		<u>9,199,120</u>
Income funds					
Restricted funds	15		3,907,291		4,210,560
Unrestricted funds					
Unrestricted income funds		5,268,312		4,976,060	
Revaluation reserve		77,103		12,500	
		<u>5,345,415</u>		<u>4,988,560</u>	
			<u>9,252,706</u>		<u>9,199,120</u>

Restricted funds totalling £3,907,291 relate to the cost of the Hospice Buildings, equipment and future restricted expenditure. General unrestricted funds available for Hospice running costs amount to £5,268,312

The accounts were approved by the Board on 18 September 2013



Mr K Elliott
Chair



Mrs A Breadon
Treasurer

Company Registration No. 02743297

COPE CHILDREN'S TRUST (LIMITED BY GUARANTEE) AND SUBSIDIARY

BALANCE SHEET

AS AT 31 MARCH 2013

	Notes	£	2013 £	£	2012 £
Fixed assets					
Tangible assets	9		4,191,320		4,615,036
Investments	10		1,187,136		958,478
			<u>5,378,456</u>		<u>5,573,514</u>
Current assets					
Debtors	12	622,760		562,160	
Cash at bank and in hand		3,761,694		3,526,996	
		<u>4,384,454</u>		<u>4,089,156</u>	
Creditors amounts falling due within one year	13	(298,735)		(297,982)	
Net current assets			<u>4,085,719</u>		<u>3,791,174</u>
Total assets less current liabilities			<u>9,464,175</u>		<u>9,364,688</u>
Income funds					
Restricted funds	15		4,051,709		4,358,063
Unrestricted funds					
Unrestricted income funds		5,335,363		4,994,125	
Revaluation reserve		77,103		12,500	
		<u>5,412,466</u>		<u>5,006,625</u>	
			<u>9,464,175</u>		<u>9,364,688</u>

Restricted funds totalling £4,051,709 relate to the cost of the Hospice Buildings, equipment and future restricted expenditure. General unrestricted funds available for Hospice running costs amount to £5,335,363

The accounts were approved by the Board on 18 September 2013.



Mr K Elliott
Chair



Mrs A Breadon
Treasurer

Company Registration No. 02743297

COPE CHILDREN'S TRUST (LIMITED BY GUARANTEE) AND SUBSIDIARY

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 2013

	Note	2013 £	2012 £
Net cash inflow from operating activities	17	382,282	(224,633)
Returns on investments and servicing of finance			
Investment income	<u>72,657</u>	<u>105,607</u>	
Net cash inflow from returns on investments and servicing of finance		72,657	105,607
Capital expenditure			
Payments to acquire tangible fixed assets	<u>(200,571)</u>	<u>(104,268)</u>	
Movements to acquire investments	<u>(107,948)</u>	<u>(565,117)</u>	
Receipts from sales of investments	<u>47,859</u>	<u>70,584</u>	
Reduction in cash held for investment	<u>72,677</u>	<u>-</u>	
Net cash outflow from capital expenditure		(187,983)	(598,801)
Increase/(decrease) in cash	18	<u>266,956</u>	<u>(717,827)</u>

COPE CHILDREN'S TRUST (LIMITED BY GUARANTEE) AND SUBSIDIARY

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2013

1 Accounting policies

1.1 Basis of preparation

The accounts have been prepared under the historical cost convention, with the exception of fixed asset investments, which are included at market value

The accounts have been prepared in accordance with applicable accounting standards, the Statement of Recommended Practice, "Accounting and Reporting by Charities", issued in March 2005 and the Companies Act 2006

The principal accounting policies adopted in the preparation of the financial statements are set out below

The statement of financial activities (SOFA) and balance sheet consolidate the financial statements of the Charity and its subsidiary undertaking. The results of the subsidiary, COPE Marketing Limited, are consolidated on a line-by-line basis

The Charity has availed itself of the Companies Act and adapted the Companies Act formats to reflect the special nature of the Charity's activities. No separate SOFA has been presented for the Charity alone as permitted by section 408 of the Companies Act 2006 and paragraph 397 of the SORP

1.2 Incoming resources

All incoming resources are included in the Statement of Financial Activities when the Charity is legally entitled to the income and the amount can be quantified with reasonable accuracy. For legacies, entitlement is the earlier of the Charity being notified of an impending distribution or the legacy being received

Gifts-in-kind donated for distribution are included at valuation and recognised as income when they are distributed to the projects. Gifts donated for resale are included as income when they are sold. No amounts are included in the financial statements for services donated by volunteers

Voluntary income including donations, gifts and legacies and grants that provide core funding, or are of a general nature, is recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability. Such income is only deferred when

- the donor specifies that the grant or donation must only be used in future accounting periods, or
- the donor has imposed conditions which must be met before the Charity has unconditional entitlement

Income from commercial trading activities is recognised as earned (as the related goods and services are provided)

Investment income is recognised on a receivable basis

Income from charitable activities includes income received under contract or where entitlement to grant funding is subject to specific performance conditions is recognised as earned (as the related goods or services are provided). Grant income included in this category provides funding to support care activities and is recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability

COPE CHILDREN'S TRUST (LIMITED BY GUARANTEE) AND SUBSIDIARY

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2013

1 Accounting Policies (continued)

1.3 Resources expended

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

Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities. Support costs are those costs incurred directly in support of expenditure on the objects of the Charity and include project management carried out at Head Office. Management and administration costs are those incurred in connection with administration of the Charity and compliance with constitutional and statutory requirements. Governance costs are the costs incurred in connection with governance and professional support to Trustees, which includes a proportion of management's time providing governance support to Trustees.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets costing more than £250 are capitalised, and other than freehold land are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Freehold land is not depreciated

Leasehold property 2% and 33.3% per annum of cost

Fixtures, fittings & equipment 33.3% per annum of cost

Motor vehicles 25% per annum of cost

1.5 Leasing and hire purchase commitments

Rentals applicable to operating leases are charged to the SOFA over the period in which the cost is incurred. Assets purchased under finance leases are capitalised as fixed assets. Obligations under such agreements are included in creditors. The difference between the capitalised cost and the total obligation under the lease represents the finance charge. Finance charges are written off to the SOFA over the period of the lease so as to produce a constant periodic rate of charge.

1.6 Investments

Investments are stated at market value at the balance sheet date. The statement of financial activities includes the net gains and losses arising on revaluations and disposals throughout the year. Unquoted investments, where there is no open market, have been stated using the best available information as regards value.

1.7 Stock

Stock consists of Christmas cards and other promotional items and is valued at the lower of cost and net realisable value. Cost is determined on the first in first out basis.

1.8 Pensions

The Charity contributes to the NHS defined benefit superannuation scheme. This is a multi-employer pension scheme and it is not possible to identify the assets and liabilities of the scheme which are attributable to the group. In accordance with FRS 17 therefore, the scheme is accounted for as a defined contribution scheme. The Charity also contributes to defined contribution schemes for other staff who are not eligible to join the NHS pension scheme. The assets of all schemes which the Charity contributes to are held in a separate independently administered fund. All contributions payable for the year are charged in the SOFA.

COPE CHILDREN'S TRUST (LIMITED BY GUARANTEE) AND SUBSIDIARY

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2013

1 Accounting Policies (continued)

1.9 Irrecoverable VAT

All resources expended are classified under activity headings that aggregate all costs related to the category. Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

1.10 Company status

The Charity is a company limited by guarantee and does not have share capital.

The members of the Charity are the Trustees named on page 3. In the event of the Charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the Charity.

1.11 Fund Accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charity for particular purposes. The cost 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 to the financial statements.

Liabilities are recognised when either a constructive or legal obligation exists.

COPE CHILDREN'S TRUST (LIMITED BY GUARANTEE) AND SUBSIDIARY

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2013

2 Voluntary income

	Unrestricted funds £	Restricted funds £	Total 2013 £	Total 2012 £
Donations and gifts	1,718,967	118,782	1,837,749	1,836,577
Legacies receivable	1,041,594	-	1,041,594	584,152
Grants receivable for core activities	592,028	442,594	1,034,622	982,993
	<u>3,352,589</u>	<u>561,376</u>	<u>3,913,965</u>	<u>3,403,722</u>
Donations and gifts				
Unrestricted funds				
Corporate donations			875,510	820,485
General donations			843,457	864,952
			<u>1,718,967</u>	<u>1,685,437</u>
Restricted funds				
Corporate donations			85,695	57,045
General donations			33,087	94,095
			<u>118,782</u>	<u>151,140</u>
Grants receivable for core activities				
Unrestricted funds				
Trusts & Grants			181,069	181,289
Statutory Funding			410,959	416,436
			<u>592,028</u>	<u>597,725</u>
Restricted funds				
Trusts & Grants			100,377	-
Statutory Funding			20,000	63,051
Department of Health Grant Section 64			322,217	322,217
			<u>442,594</u>	<u>385,268</u>

COPE CHILDREN'S TRUST (LIMITED BY GUARANTEE) AND SUBSIDIARY

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2013

3 Investment income

	2013 £	2012 £
Dividends receivable from equity shares	41,687	36,702
Interest receivable	30,395	68,905
Investment property income	575	-
	<u>72,657</u>	<u>105,607</u>

4 Total resources expended

	Staff costs £	Depreciation £	Other costs £	Total 2013 £	Total 2012 £
Costs of generating funds					
Costs of generating donations and legacies	648,085	104,125	573,280	1,325,490	1,067,334
Charitable activities					
<u>Direct care costs</u>					
Activities undertaken directly	2,167,978	-	322,983	2,490,961	2,272,857
<u>Care support costs</u>					
Activities undertaken directly	265,584	-	122,981	388,565	395,203
<u>Establishment costs</u>					
Activities undertaken directly	-	442,651	217,330	659,981	650,653
	<u>2,433,562</u>	<u>442,651</u>	<u>663,294</u>	<u>3,539,507</u>	<u>3,318,713</u>
Governance costs	47,014	-	10,030	57,044	50,025
	<u>3,128,661</u>	<u>546,776</u>	<u>1,246,604</u>	<u>4,922,041</u>	<u>4,436,072</u>

Governance costs include payments to the auditors of £8,500 (2012 £7,340) for audit fees

The auditor's remuneration of £8,500 (2012 £7,340) related to the audit of Cope Children's Trust and Cope Marketing Limited amounted to £2,200 (2012 £2,375)

COPE CHILDREN'S TRUST (LIMITED BY GUARANTEE) AND SUBSIDIARY

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2013

5 Costs of generating donations and legacies

	2013	2012
	£	£
Other costs comprise		
General and Corporate Donations	216,287	167,646
Organised Events and Sponsored Challenges	74,130	98,102
Rainbows Lottery	157,819	126,889
COPE Marketing Limited - Expenses	125,044	47,585
	<hr/>	<hr/>
	573,280	440,222
	<hr/>	<hr/>

6 Trustees

None of the Trustees (or any persons connected with them) received any remuneration or benefits from the Charity during the year or the previous year

COPE CHILDREN'S TRUST (LIMITED BY GUARANTEE) AND SUBSIDIARY

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2013

7 Employees

Number of employees

The average monthly number of permanent employees both actual and full time equivalent, including part-time employees but excluding Trustees of the Charity during the year was

	2013		2012	
	Actual number	Full time equivalent	Actual number	Full time equivalent
Care	107	82	99	85
Administration	7	7	7	7
Fundraising	24	20	20	18
Finance	3	3	3	3
Human resources	2	2	3	3
	<u>143</u>	<u>114</u>	<u>132</u>	<u>116</u>

Employment costs

	2013 £	2012 £
Wages and salaries	2,775,624	2,533,040
Social security costs	224,850	205,035
Other pension costs	128,187	107,721
	<u>3,128,661</u>	<u>2,845,796</u>

The number of employees whose annual remuneration was £60,000 or more were

	2013 Number	2013 Number
£60,001 - £70,000	<u>1</u>	<u>1</u>

8 Taxation

The company is a Registered Charity and no provision is considered necessary for taxation. The trading subsidiary has retained profits of £nil which is exempt from taxation under the provisions of the Income and Corporation Taxes Act 2000.

COPE CHILDREN'S TRUST (LIMITED BY GUARANTEE) AND SUBSIDIARY

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2013

9 Tangible fixed assets

(a) Group

	Leasehold property	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£
Cost				
At 1 April 2012	4,670,827	1,497,284	48,623	6,216,734
Additions	41,256	159,315	-	200,571
Disposals	-	(101,285)	-	(101,285)
At 31 March 2013	4,712,083	1,555,314	48,623	6,316,020
Depreciation				
At 1 April 2012	663,237	1,048,462	37,502	1,749,201
On disposals	-	(101,285)	-	(101,285)
Charge for the year	117,959	424,697	4,120	546,776
At 31 March 2013	781,196	1,371,874	41,622	2,194,692
Net book value				
At 31 March 2013	3,930,887	183,440	7,001	4,121,328
At 31 March 2012	4,007,590	448,822	11,121	4,467,533

(b) Charity

Cost				
At 1 April 2012	4,825,057	1,497,284	43,873	6,366,214
Additions	41,256	60,907	-	102,163
Disposals	-	(101,285)	-	(101,285)
At 31 March 2013	4,866,313	1,456,906	43,873	6,367,092
Depreciation				
At 1 April 2012	669,964	1,048,462	32,752	1,751,178
On disposals	-	(101,285)	-	(101,285)
Charge for the year	121,044	400,715	4,120	525,879
At 31 March 2013	791,008	1,347,892	36,872	2,175,772
Net book value				
At 31 March 2013	4,075,305	109,014	7,001	4,191,320
At 31 March 2012	4,155,093	448,822	11,121	4,615,036

COPE CHILDREN'S TRUST (LIMITED BY GUARANTEE) AND SUBSIDIARY

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2013

9 Tangible fixed assets (continued)

Freehold land adjacent to the leasehold property was acquired as a gift from JS Bloor (Measham) Limited and Fairmeadow Limited in 2008

The leasehold property is included at its value to the Charity, that is, the cost price that would have been paid if the goods had not been given as gifts-in-kind

The Trustees consider the value of the leasehold property to be in excess of its book value

The leasehold land is valued at £2,500 This was provided to the Charity after being pre-designated for use as a community project by Fairmeadows Estates and subsequently transferred to Charnwood Borough Council

10 Fixed asset investments

(a) Group	Listed investments £	Cash held for investments £	Investment property £	Subsidiary undertaking £	Total £
Market value at 1 April 2012	866,868	91,608	-	-	958,476
Disposals at opening book value	(41,216)	-	-	-	(41,216)
Acquisitions at cost	107,948	-	170,000	-	277,948
Movement in cash	-	(72,677)	-	-	(72,677)
Change in value in the year	64,603	-	-	-	64,603
Market value at 31 March 2013	998,203	18,931	170,000	-	1,187,134
Historical cost					
At 31 March 2013	921,100	18,931	170,000	-	1,110,031
At 31 March 2012	854,368	91,608	-	-	945,976
(b) Charity					
Market value at 1 April 2012	866,868	91,608	-	2	958,478
Disposals at opening book value	(41,216)	-	-	-	(41,216)
Acquisitions at cost	107,948	-	170,000	-	277,948
Movement in cash	-	(72,677)	-	-	(72,677)
Change in value in the year	64,603	-	-	-	64,603
Market value at 31 March 2013	998,203	18,931	170,000	2	1,187,136
Historical cost					
At 31 March 2013	921,100	18,931	170,000	2	1,110,033
At 31 March 2012	854,368	91,608	-	2	945,978

COPE CHILDREN'S TRUST (LIMITED BY GUARANTEE) AND SUBSIDIARY

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2013

10 Fixed asset investments (continued)

Holdings of more than 20%

The Charity holds more than 20% of the share capital of the following companies

Company	Country of registration or incorporation	Shares held Class	%
Subsidiary undertakings			
COPE Marketing Limited	England & Wales	Ordinary	100

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows

	Principal Activities	Capital and reserves £	(Loss) for the year £
COPE Marketing Limited	That of a building contractor for COPE Children's Trust (Limited by guarantee) and the sale of new and donated goods	(67,049)	(48,986)

COPE Marketing Limited covenants all available profits to COPE Children's Trust

11 Stock

	2013		2012	
	Group £	Charity £	Group £	Charity £
Christmas cards	1,745	-	3,596	-
Other goods for resale	11,887	-	2,957	-
	<u>13,632</u>	<u>-</u>	<u>6,553</u>	<u>-</u>

12 Debtors

	2013		2012	
	Group £	Charity £	Group £	Charity £
Trade debtors	79,826	67,486	54,491	43,189
Amounts owed by group undertakings	-	223,000	-	60,000
Other debtors	9,259	9,259	22,513	22,513
Prepayments and accrued income	335,533	323,015	436,458	436,458
	<u>424,618</u>	<u>622,760</u>	<u>513,462</u>	<u>562,160</u>

COPE CHILDREN'S TRUST (LIMITED BY GUARANTEE) AND SUBSIDIARY

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2013

12 Debtors (continued)

Amounts falling due after more than one year and included in the debtors above are

	2013		2012	
	Group	Charity	Group	Charity
	£	£	£	£
Amounts owed by group undertakings	-	160,000	-	48,000

Amounts owed by group undertakings include a loan to COPE Marketing Limited of £60,000 which is part of a total loan amount agreed of up to £200,000. This is to be repaid by equal annual instalments over 5 years, and interest is being charged at 2.5% above the Bank of England base rate.

Prepayments and accrued income includes legacies receivable of £226,847 (2012: £292,153).

13 Creditors amounts falling due within one year

	2013		2012	
	Group	Charity	Group	Charity
	£	£	£	£
Trade creditors	108,656	56,196	116,014	65,855
Amounts owed to group undertakings	-	41,064	-	49,977
Taxes and social security costs	62,188	57,016	63,549	59,352
Accruals	147,937	144,459	125,160	122,798
	<u>318,781</u>	<u>298,735</u>	<u>304,723</u>	<u>297,982</u>

COPE CHILDREN'S TRUST (LIMITED BY GUARANTEE) AND SUBSIDIARY

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2013

14 Pension and other post-retirement benefit commitments

Defined contribution

The Charity operates a defined contribution pension scheme and contributions are charged in the financial statements as they are incurred. Pension costs charged in the year were £41,838 (2012 £26,653)

Defined benefit

The Charity also makes contributions to the NHS pension scheme which is an unfunded, defined benefit scheme that covers NHS employees, General Practices and other bodies, allowed under the direction of Secretary of State, in England and Wales. As a consequence it is not possible for COPE Children's Trust to identify its share of the underlying scheme liabilities. Therefore the scheme is accounted for as a defined contribution scheme and the cost of the scheme are equal to the contributions payable to the scheme for the accounting period. The total employer contribution payable in 2013 was £86,349 (2012 £81,068)

Employers pension cost contributions are charged to operating expenses as and when they become due. Employer contribution rates were reviewed every four years (previously five years) following a scheme valuation carried out by the Government Actuary. The last published actuarial valuation undertaken for the NHS Pension Scheme was as at 31 March 2004 (published in December 2007), with the next formal quadrennial actuarial valuation being due as at 31 March 2008. However, formal actuarial valuations for unfunded public service pension schemes were suspended by HM Treasury whilst reforms to public service pension provisions were discussed. The Scheme Regulations were changed to allow contribution rates to be set by the Secretary of State for Health, with the consent of HM Treasury, and consideration of the advice of the Scheme Actuary and appropriate employee and employer representatives as deemed appropriate. The most recent valuation (31 March 2004) the employer contribution rates were set at 14% of pensionable pay which is unchanged.

The Scheme is a "final salary" scheme. Members in the 1995 Section receive a pension worth 1/80th of the best of the last three year's pensionable pay for each year of membership. Members in the 2008 Section receive a pension worth 1/60th of the average of the best three consecutive years pensionable pay in the last ten, for each year of membership. A lump sum is payable on retirement. Members in the 1995 Section receive a lump sum which is normally three times the annual pension payment. Members in the 2008 Section receive a lump sum which may be a maximum of 25% of the value of their pension fund at retirement, this will impact on the level of pension due, dependant on the percentage chosen, and is based on a conversion rate of £1 of pension to £12 of lump sum.

Annual increases are applied to pension payments at rates defined by the Pensions (Increase) Act 1971, and are based on changes in retail prices in the twelve months ending 30 September in the previous calendar year. From 2011-12 the Consumer Price Index (CPI) has been used and replaced the Retail Prices Index (RPI).

For members who die in service a lump sum is payable of twice annual pensionable pay, or average uprated earnings for practitioners. For members who die after retirement an amount is payable which is the lesser of 5 times annual pension less pension already paid, or twice reckonable pay less any retirement lump sum taken. Other death benefits are also payable for members who have a deferred pension.

	2013 £	2012 £
Total employer contributions payable by the Charity for the year	128,187	107,721

COPE CHILDREN'S TRUST (LIMITED BY GUARANTEE) AND SUBSIDIARY

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2013

15 Restricted funds (a) Group

The income funds of the Group include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes

	Movement in funds					Balance at
	Balance at 1 April 2012 £	Incoming resources £	Resources expended £	Depreciation £	Transfers	31 March 2013 £
Building for the future fund	3,215,204	-	-	(375,760)	(171,141)	2,668,303
Funds received for hospice expenses and equipment	127,759	561,376	(501,668)	(5,129)	(36,585)	145,753
Original hospice building fund	867,597	-	-	(32,073)	257,711	1,093,235
	<u>4,210,560</u>	<u>561,376</u>	<u>(501,668)</u>	<u>(412,962)</u>	<u>49,985</u>	<u>3,907,291</u>

(b) Charity

The income funds of the Charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes

	Movement in funds					Balance at
	Balance at 1 April 2012 £	Incoming resources £	Res our ces £	Depreciation and transfers £		31 March 2013 £
Building for the future fund	3,362,707	-	-	(378,845)	(171,141)	2,812,721
Funds received for hospice expenses and equipment	127,759	561,376	(501,668)	(5,129)	(36,585)	145,753
Original hospice building fund	867,597	-	-	(32,073)	257,711	1,093,235
	<u>4,358,063</u>	<u>561,376</u>	<u>(501,668)</u>	<u>(416,047)</u>	<u>49,985</u>	<u>4,051,709</u>

The Building for the Future Fund is for the new building at the main hospice site in Loughborough, Leicestershire

The restricted funds received for hospice expenses and equipment were donated for the purchase of specified items on the Hospice wish list and to increase services

The Hospice building fund relates to the leasehold property owned by the Charity

The transfer figure represents the reallocation of depreciation charges and the transfer of building costs from unrestricted reserves to restricted reserves

COPE CHILDREN'S TRUST (LIMITED BY GUARANTEE) AND SUBSIDIARY

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2013

16 Analysis of net assets between funds (a) Group

	Unrestricted funds	Restricted funds	Total
	£	£	£
Fund balances at 31 March 2013 are represented by			
Tangible fixed assets	351,378	3,769,950	4,121,328
Investments	1,187,134	-	1,187,134
Current assets	4,125,684	137,341	4,267,640
Creditors amounts falling due within one year	(318,781)	-	(323,396)
	<u>5,345,415</u>	<u>3,907,291</u>	<u>9,252,706</u>
Unrealised gains included above			
On investments	<u>77,103</u>	<u>-</u>	<u>77,103</u>
Reconciliation of movements in unrealised gains			
Unrealised gains at 31 March 2012	12,500	-	12,500
Net gains on revaluations in year	<u>64,603</u>	<u>-</u>	<u>64,603</u>
Unrealised gains at 31 March 2013	<u>77,103</u>	<u>-</u>	<u>77,103</u>

(b) Charity

	Unrestricted funds	Restricted funds	Total
	£	£	£
Fund balances at 31 March 2013 are represented by			
Tangible fixed assets	276,952	3,914,368	4,191,320
Investments	1,187,136	-	1,187,136
Current assets	4,254,075	137,341	4,391,416
Creditors amounts falling due within one year	(305,697)	-	(305,697)
	<u>5,412,466</u>	<u>4,051,709</u>	<u>9,464,175</u>
Unrealised gains included above			
On investments	<u>77,103</u>	<u>-</u>	<u>77,103</u>
Reconciliation of movements in unrealised gains			
Unrealised gains at 31 March 2012	12,500	-	12,500
Net gains on revaluations in year	<u>64,603</u>	<u>-</u>	<u>64,603</u>
Unrealised gains at 31 March 2013	<u>77,103</u>	<u>-</u>	<u>77,103</u>

COPE CHILDREN'S TRUST (LIMITED BY GUARANTEE) AND SUBSIDIARY

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2013

17 Net cash inflow from operating activities	2013	2012
	£	£
Reconciliation to changes in resources		
Changes in resources before revaluations	(17,660)	(183,445)
Investment income	(72,657)	(105,607)
Depreciation of tangible fixed assets	546,776	513,586
Gift of tangible fixed assets	-	(11,588)
Loss on disposal of tangible fixed assets	-	12,126
Gift of fixed asset investments	(170,000)	(60)
(Increase)/decrease in stocks	(7,079)	2,324
Decrease/(increase) in debtors	88,844	(378,892)
Increase/(decrease) in creditors	14,058	(73,077)
	382,282	(224,633)

18 Reconciliation of net cash flow to movement in net funds	2013	2012
	£	£
Increase/(decrease) in cash	266,956	(717,827)
Net funds at 1 April 2012	3,557,819	4,275,646
Net funds at 31 March 2013	3,824,775	3,557,819

19 Analysis of net cash balances	At 1 April 2012	Cash flow	Non-cash changes	At 31 March 2013
	£	£	£	£
Cash at bank and in hand	3,557,819	266,956	-	3,824,775
	3,557,819	266,956	-	3,824,775

20 Contingent liabilities

A contingent liability of £500,000 exists in respect of an on-going unresolved claim relating to the construction of the new therapy wing. The Trustees are of the opinion that this claim is unlikely to be successful.

COPE CHILDREN'S TRUST (LIMITED BY GUARANTEE) AND SUBSIDIARY

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2013

21 Related parties

The Charity has taken advantage of the exemptions in FRS 8 not to disclose any intra group transactions, which are eliminated on consolidation, between it and its' wholly owned subsidiary company Cope Marketing Limited

During the year a small number of transactions arose between Cope Marketing Limited and SGP Property & Facilities Management Limited (SGP), a company of which Mr K Elliott is also a director. Cope Marketing Limited purchased services from SGP to the value of £3,950 (2012 £900). Cope Marketing Limited made sales to SGP to the value of £1,778 (2012 £460), of which £1,662 (2012 £460) was outstanding at 31 March 2013. This amount was received by Cope Marketing Limited subsequent to the year end. All transactions were made in the normal course of business.

22 Controlling party

COPE Children's Trust is a company Limited by guarantee and not having share capital, it is incorporated under the Companies Act and governed by the Memorandum and Articles of Association of the company. The Trustees of the company are elected members and act as directors of the company who are deemed to be the controlling party of the company therefore no ultimate controlling party is identifiable.

It is a condition of membership that members undertake to contribute such amount, not exceeding £1, as may be required towards meeting debts and liabilities of the Trust in the event of the Trust being wound up.

23 Financial commitments

At 31 March 2013 the group was committed to making the following payments under non-cancellable operating leases in the year to 31 March 2014.

	2013		2012	
	Group	Charity	Group	Charity
	£	£	£	£
Operating leases which expire				
Within one year	-	-	-	-
Between two and five years	34,500	-	-	-
	<u>34,500</u>	<u>-</u>	<u>-</u>	<u>-</u>