

Annual Report and Accounts



Children's Hospices Across Scotland

2025/26

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Trustees Annual Report and Strategic Review

Looking forward with purpose: our Chair's foreword

As a Board, we remain focused on ensuring CHAS is equipped to deliver compassionate, high-quality palliative care to children and families across Scotland, in a way that reflects their individual choices and circumstances. This commitment is realised every day by our colleagues and volunteers who support children and families in their own homes, in our CHAS hospices, and in hospitals across the country.

Over the past year, spending time with children, families, staff teams and volunteers has reinforced what matters most: care that is safe, responsive, and centred on the needs and wishes of each child and family. These voices and experiences shape everything we do as we strive to deliver world-class children's palliative care services.

We have continued to make strong progress in delivering Unwavering Care: Our Strategic Plan over the year, including a programme of innovation and transformation to respond to growing demand and increasing complexity while maintaining the quality and compassion that defines CHAS.

A major milestone this year has been planning and implementing the transition from Rachel House to Mina House, which allows us to embark on a major rebuild of Rachel House. This marks the next phase of our long-term investment in children's palliative care and is a key step in our journey of rewriting the future of how Scotland cares for children with life-shortening conditions.

The CHAS fundraising team have had another outstanding year. Our More Than a Hospice campaign, launched in April 2026 has been exceptionally well received, already securing significant progress towards the £20 million appeal to make the refurbishment of Rachel House, renewal of Robin House, and reimagining care across the country, a reality.

Statutory funding continues to be vital as we work towards financial sustainability in providing hospice care for children across Scotland. CHAS will continue to engage constructively with the Scottish Government and with all political parties to ensure election commitments on palliative care are delivered in the coming years, to ensure no family faces the death of their child alone.

None of our work would be possible without the fantastic support CHAS receives from government and statutory funders, our corporate partners, major donors and the wider Scottish public. On behalf of the Board, I would like to express deep gratitude to all our supporters and funders. Every donation, whether a gift of money or time, significantly impacts our ability to work towards our ambition that no-one should face the death of their child alone.

The final area I would like to highlight is change at Board level. I would like to express my thanks to Faraz Hussain and Joanne Hamilton who stepped down as trustees. I am grateful to them both for their insight and support in their time with CHAS. I am delighted to welcome two new Board members, Philip Davies and Caroline Sinclair. Their experience across the wider health and social care landscape will further strengthen the Board as we navigate future opportunities and challenges.

In closing, I would like to express my deep thanks and gratitude to my fellow trustees, the Senior Leadership Team, and to all our colleagues and volunteers for their dedication, passion and unwavering commitment to supporting children and families across Scotland.

Chair of CHAS,
Donald Macdonald

Who we are and where we work

Children's Hospices Across Scotland provides care and support to babies, children and young people with life-shortening conditions, and to their families, across the whole of Scotland. We exist to ensure that no family should face the death of their child alone. Our work is rooted in compassion, clinical expertise and partnership, and we support families at every stage of the hardest journey they may ever face.

Three children a week die in Scotland from an incurable condition. In response to this need, CHAS works closely with health and social care partners to provide children's hospice and palliative care services for children and young people aged 0 to 21 and their families. We do this through care in family homes, in our two hospices, and through joint CHAS/NHS teams in Scotland's children's hospitals. This national model means families can access support wherever they live and whatever stage of their journey they are on.

Our strategic plan sets out how we support families at three critical stages. The first is when they learn their child is seriously ill and may die young. The second is living well with complexity, uncertainty and fear. The third is dying well and bereavement. Our services are designed around these stages so that children and families receive the right support, in the right place, at the right time.

Across the year, every CHAS team contributed to this aim. Clinical teams delivered specialist care and advice. Family support colleagues stood alongside parents and siblings. Fundraising and income generation teams secured the resources needed to sustain and grow services. People, volunteer, facilities, information services and wider corporate teams created the conditions that make safe, effective and compassionate care possible.

During the year, significant work has been undertaken by all teams in CHAS as part of our More Than A Hospice programme. This will see a planned £20 million investment over the years ahead in rebuilding Rachel House, significantly renewing Robin House, and reimagining our community and hospital services across Scotland.

Caring for children and families

Our medical, nursing and family support teams continued to provide safe, effective and compassionate care throughout 2025/26. Across hospitals, homes and hospices, they responded to growing and changing need while maintaining a clear focus on quality, safety and family centred care. Their work this year has strengthened CHAS's reach, deepened partnership working and supported more families to have choice in how and where their child is cared for.

During 2025/26, CHAS supported more than 540 babies, children and young people across all settings. Of these, 448 were supported in CHAS hospice and community settings; the balance were supported in hospitals through joint CHAS/NHS teams.

In hospice

Rachel House and Robin House remain at the heart of CHAS services. They provide specialist palliative care in welcoming, supportive environments where families can feel safe, cared for and understood.

There were 801 hospice admissions, delivering more than 3,200 bed nights of care for seriously ill children and over 7,100 bed nights for family members. These figures reflect the continuing importance of hospice-based support to families across Scotland.

Hospice care plays an important role at every stage of the family journey. For some families, hospice stays provide scheduled specialist respite and reliable support. For others, unscheduled hospice care becomes important when a child's condition deteriorates or for care around dying. CHAS works to ensure children are cared for with dignity and comfort, and families are supported to say goodbye in ways reflective of their wishes and values. CHAS's Rainbow Rooms provide a peaceful and private space for families to stay with their child after death. In 2025/26, families used these rooms for 250 bed nights.

Hospice care at CHAS extends beyond clinical intervention. Specialist respite stays help families rest, recharge and spend meaningful time together, supporting their resilience and reducing dependence on other services. Multidisciplinary teams support not only the medical needs of children and young people, but also emotional wellbeing and the wider experience of family life. During the year, this was strengthened by moving Play Assistant cover from five days to seven days in both hospices, increasing opportunities for children and families to take part in therapeutic play, music, activities and events bringing joy, connection and memory making into the heart of care.

The hospice teams continued to balance scheduled and unscheduled care, delivering flexibility vital for families with circumstances which change quickly. Throughout the year short notice hospice care was available for families who needed urgent support. This ensured CHAS hospice services continued to offer holistic, responsive and family centred support.

In hospitals

In 2025/26, CHAS teams continued to work alongside NHS colleagues across Scotland's three children's hospitals and in children's wards, providing specialist palliative care and support from diagnosis to end of life. Hospital based work is often delivered at some of the most complex and emotionally demanding points in a family's journey. It requires close partnership, specialist knowledge and the ability to work flexibly across systems and settings. During the year, CHAS strengthened and redesigned its specialist medical team to support this work more effectively across Scotland.

The model includes paediatric palliative medicine consultants across children's hospital settings, with wider multidisciplinary input from specialist clinicians, general practitioners, community paediatricians and paediatric intensive care colleagues. Joint CHAS/NHS teams supported over 135 children within hospitals during the year.

The Specialist Paediatric Palliative Care Clinical Advisory Service (CAS) is a multi professional, multidisciplinary forum hosted by CHAS in collaboration with NHS Ayrshire and Arran, NHS Greater Glasgow and Clyde, and NHS Lothian. It brings together specialist clinicians to provide out of hours advice to professionals supporting children nearing end of life in hospices, hospitals and community settings.

Its aim is to support choice at end of life and in year one it supported preferred place of death in 91% of cases, with fewer hospital deaths.

Through this hospital based work, CHAS helps ensure more families are identified earlier and care is more closely aligned with their preferences and needs. It demonstrates CHAS's role as an expert national partner helping shape how paediatric palliative care is delivered across Scotland.

In homes

For many families, home is where they most want to be together. Throughout the year our four regional CHAS at Home teams continued to provide flexible, highly skilled nursing and family support across Scotland. This means children and young people can remain at the centre of family life while receiving specialist care in surroundings that feel safe, familiar and personal. In 2025/26 the team delivered 1,567 visits to children and families at home. This included 1,475 nursing-led visits and 92 volunteer-led visits.

CHAS at Home provides scheduled respite care as well as unscheduled support, including during rapid clinical deterioration and at the end of life. This year CHAS developed enhanced models for care around dying, working with NHS partners to improve access to paediatric palliative nursing advice and care, including out of hours support. This is already helping families remain at home during the final days and weeks of their child's life when that is their preference, and to do so with dignity, reassurance and practical support.

This service operates across Scotland. Community teams travelled extensively, including to remote and rural areas, ensuring geography is not a barrier. Across the year, the team provided 5,045 hours of outreach care, this included 4,860 hours of nursing-led care and 185 hours of volunteer-led care. Families consistently describe the value of this support not only in clinical terms, but in how it helps them maintain family life, spend meaningful time together and create memories during profoundly difficult periods.

CHAS recognises the pressures involved in delivering a national service, including recruitment challenges and workforce pressures in some areas. During the year targeted recruitment and new ways of working strengthened capacity and helped the service continue to evolve in response to rising demand. This home based model of care is increasingly resilient, flexible and aligned to family need.

Future facing

During 2025/26, to support development of the medical workforce, CHAS maintained student medical placements which were recognised for excellence by the University of St Andrews medical school. CHAS is in discussion with the NHS Scotland Deanery about hosting resident doctors as part of their training. This reflects a commitment to developing future talent and strengthening the specialist workforce.

Innovation also continued in service design. During the year, CHAS worked with NHS Grampian and the Archie Foundation in Aberdeen to understand what families would want from a hospice type space in a children's hospital. The main focus is support for care around dying closer to home, while also considering how such a space could be used to help children with serious illness live well when it is not needed for end of life care. This is CHAS using family insight and partnership working and testing new approaches that could improve access and choice. We have also worked with other NHS boards to plan for palliative care suites in hospital.

Training and education remained another important area of collaboration. Paediatric palliative medicine specialists provided training to hospice clinical teams, while the Foundation Course for Care Around Dying was well evaluated. CHAS specialists are also trainers within the EPEC Paediatrics curriculum, helping extend knowledge and confidence across the wider professional workforce. Alongside this, Project ECHO learning sessions, led by a consultant in paediatric neurodisability, created opportunities for specialists to share knowledge and build clinical skills across the sector.

Leadership and clinical governance

Strong and compassionate leadership underpinned the delivery and development of services. CHAS invested in Senior Charge Nurse roles across the hospices, increasing the number from four to six to improve clinical leadership, visibility, role modelling in practice and strengthen support to staff teams. A new Senior Charge Nurse role for the north of Scotland CHAS at Home service has been transformational in team development and improving support for families.

Service delivery continued to operate within robust governance frameworks, with regular reporting through senior leadership structures and the Clinical and Care Governance Committee. This provides assurance that services are safe, effective and focused on continuous improvement. The clinical governance team supported care delivery, including support for Learning from Excellence, adverse event reporting, quality improvement and person centred safety approaches.

Alongside direct clinical leadership, wider family support services made a clear contribution to family wellbeing, including helping families secure substantial financial gains during the year and reducing stress at a deeply challenging time.

Through a specialist CHAS pharmacist, the organisation made a significant contribution to supporting symptom management in Scotland's three children's hospitals and through CAS. Our pharmacist led work on medicines optimisation and medicines safety and acted as Controlled Drugs Accountable Officer. CHAS contributed internationally during the year through work with the Global Treehouse Foundation on the development of a self-evaluation tool for children's palliative care services, with our Medical Director acting as an adviser.

Looking ahead, this whole area of work remains focused on one core aim: to strengthen partnership, work as one team and listen closely to children and families so services continue to develop in ways that matter most.

Influencing and media

In 2025/26, CHAS strengthened its role as a trusted national partner in Scotland's children's palliative care landscape. Through influencing, policy and external affairs work, the organisation ensured the voices and experiences of children and families were represented in public debate and national policy development. This contribution is important not only because of the complexity of the issues involved, but because children's palliative care must be understood as both a healthcare issue and a matter of dignity, equity and family support.

CHAS worked with the Scottish Government to help shape the national palliative care strategy, supporting a more coordinated and sustainable approach to paediatric palliative care across Scotland. Ahead of the 2026 Scottish Parliament election, CHAS developed its manifesto, setting out priorities for the next parliamentary term and beyond. These priorities focus on increasing choice, securing sustainable funding and empowering professionals so every child and family can access high quality palliative care wherever they are.

The organisation contributed to parliamentary consideration of assisted dying legislation. Remaining neutral throughout this debate, CHAS focused on ensuring the needs of children and families were understood and the importance of accessible, high quality paediatric palliative care remained visible within a sensitive and complex policy discussion.

Amongst MSPs prior to the 2026 election, CHAS was the most trusted organisation of those surveyed.

Alongside policy and external affairs work, media and communications activity helped strengthen CHAS's public profile throughout the year. In 2025/26 the Marketing and Communications Team significantly increased opportunities for people to learn about CHAS and the children and families we support across public relations, broadcast and social media activity. The organisation achieved 1,273 pieces of media coverage during the year, averaging 24.5 pieces a week.

Market research continued to show encouraging results. CHAS's twice yearly research showed positive trends in public awareness, placing CHAS among the top performing children's charities in Scotland.

Income generation

No one should face the death of their child alone, and CHAS's fundraising teams play a central role to ensure the organisation can provide unwavering care. In 2025/26, CHAS grew fundraising income across donations, legacies and trading, raising £17.2 million during the year, compared with £15.5 million in the previous year. This was achieved while maintaining focus on preparations for the launch of the More Than a Hospice Appeal in April 2026.

CHAS's income generation work spans public donations, regular giving, corporate fundraising, philanthropy, grants from trusts, volunteer led activity, community events and retail. During the year CHAS secured major gifts including a £3 million multi-year pledge towards the More Than a Hospice Appeal, and a number of further seven-figure donations. These contributions, together with strong stewardship and relationship management, helped build momentum and confidence for the appeal.

Corporate and community partnerships remain a strength. New partnerships were developed with organisations such as BEAR Scotland, while existing relationships with Aldi Scotland, Loganair and Royal Bank of Scotland continued to grow. The national partnership with Royal Bank of Scotland raised more than £176,000 during the year. High profile moments such as Loganair naming an aircraft Spirit of CHAS and Aldi Scotland's Supermarket Sweep campaigns helped bring the CHAS story to life and connect supporters more directly with the cause.

Local fundraising and volunteering continue to make a powerful contribution. Examples from the year include the JBay Volunteer Team in Dundee, which raised more than £188,000 and has now raised almost £800,000 since 2016, and Sneckie Soccer in Inverness, whose annual five a side tournament has raised more than £137,000 to date. The Fife Flyers charity auction raised more than £11,000, taking their total support past £100,000 since 1996. Community events such as the Comrie Christmas initiative, Christmas tree recycling, Kinross Rotary's partnership and Ava's Ball all demonstrate the breadth of grassroots support for CHAS across Scotland.

Challenge events evolved, with new activities including the Kelpies Experience and the Lego Walk, while Kiltwalks across Scotland saw record participation for CHAS, with the Glasgow event alone raising more than £180,000. These events generate income, increase public visibility and build supporter engagement. CHAS shops also continued to perform well, with a fifth shop opening in Dalgety Bay.

Individual giving saw strong growth. New donors were attracted through television, radio, online marketing, mailings, face-to-face recruitment and digital channels. The 2025 Christmas Campaign was the most successful ever, raising more than £450,000. Income from regular giving donors increased by 41 per cent, while inflation related uplift activity encouraged supporters to increase their monthly contributions. Further face-to-face fundraising efforts secured 10,000 new regular giving donors, who are expected to raise more than £2.3 million over the next five years.

Legacies remain a vital source of support. Over the past five years, gifts in Wills have, on average, funded the care of one in five children at CHAS. In 2025/26, we ran our second legacy telephone campaign, doubling reach and significantly exceeding the results of the previous year. Of 400 calls made to CHAS supporters, more than half agreed to receive further information and 35 indicated that they had already included CHAS in their Will. This shows how long term stewardship and sensitive supporter engagement can build sustainable income for the future.

People and strategy

During 2025/26 the People Team led a programme of work to strengthen CHAS as an employer. This included an improved employee value proposition, the introduction of a new employee assistance programme and health cash plan in June 2025 and changes to a number of HR policies to ensure compliance with employment legislation.

In keeping with organisational values, CHAS chose to go beyond legal requirements and position itself as a sector leader in family friendly practice. New provisions were introduced on early pregnancy loss and fertility treatment leave, and occupational pay is now offered for neonatal leave and parental bereavement leave.

The People Team played a major role in preparing colleagues for the temporary relocation of Rachel House services for the planned period of capital works. Colleague and volunteer engagement and consultation took place and a change management training programme was developed and rolled out to managers, alongside a course on supporting yourself through change available to all colleagues across CHAS. During a year of transition, this practical and people centred support has helped colleagues adapt to new locations, new ways of working and operational change.

Organisational indicators were positive in a number of areas. Annual employee turnover fell significantly and moved within target range. CHAS launched a reverse mentoring scheme, piloted with members of the senior leadership team mentored by colleagues in operational roles. The scheme brings shared understanding, supports different perspectives on leadership challenges and strengthens organisational connections. The trauma informed agenda continued to progress, with 78 per cent of colleagues now trained in trauma informed practice and further wellbeing developments planned following review.

Leadership development remained part of the wider people strategy. A two-day workshop on the psychology of leadership and direct communication, delivered pro bono by a qualified coach, was attended by the Heads of Service leadership group. CHAS outsourced payroll to an external provider during 2025.

Volunteers

Volunteers are an essential part of CHAS's work and culture. During the year, the organisation implemented improved volunteer management software across CHAS, supporting more effective recruitment and management of volunteers and providing a user friendly experience.

In 2025/26 CHAS welcomed 301 new volunteers, with 902 volunteers contributing 46,124 hours. Based on comparable CHAS hourly rates we estimate the value of this contribution may exceed £1 million. We saw 91 current CHAS volunteers take on extra roles during the year. These figures demonstrate the scale of volunteer commitment and the extent to which volunteers help make CHAS's work possible.

CHAS has also seen an increase in volunteers with highly specialist skills delivering short term projects, including a volunteer with reward expertise who designed a colleague recognition framework aligned to CHAS values to be implemented in 2027. The annual volunteer engagement survey showed strong results, with volunteers reporting an outstanding experience.

Strategy

We have continued to deliver our 2024-2028 strategic plan, Unwavering Care. The centrepiece of this has been the planning and commencement of the More Than A Hospice programme which combines capital investment and service redesign.

Corporate services

Corporate services made a major contribution to CHAS during 2025/26, supporting key programmes, statutory compliance, safe environments, digital resilience and organisational efficiency. Teams have played an important role preparing CHAS for estate change, supporting major capital plans and improving systems and processes.

More Than a Hospice Programme Delivery

The Facilities team was central to the progress of the More Than a Hospice Programme. A major priority was finalising plans for the rebuild of Rachel House, working closely with the lead architect and design team, and with children, families and colleagues. This reflects a significant programme of development combining capital investment with co-design and service planning.

As redevelopment begins on Rachel House, care services will move temporarily to Mina House in Kinglassie, and office-based services will move to Cardenden. During 2025/26 the Facilities team and care teams worked intensively to ensure interim locations were ready to provide excellent care throughout the 18-month rebuild period at Rachel House. This was a complex programme requiring close coordination across multiple teams.

At Robin House, the glass roof was successfully replaced and plans were agreed for refurbishment of children's bedrooms, pool changing rooms, the Rainbow Room and colleague welfare facilities. This work was delivered in partnership with income generation colleagues who secured contributions towards costs. The result is improved buildings and better spaces for children, families and our staff teams.

Wider Capital Investment

Outside the hospice estate, CHAS continued to invest in property and assets that support organisational reach and resilience. This included refurbishment of the new retail shop in Dalgety Bay, further upgrades to one of our shops in Kinross and continued work to modernise the vehicle fleet. Some vehicles require substantial adaptation to be suitable for a children's hospice setting, and this work is part of ensuring that infrastructure matches service need.

Statutory Compliance

During the year, CHAS successfully embedded a new Computer Aided Facilities Management System across the organisation. This provides a more robust approach to managing statutory obligations across the estate, helping reduce risk and maintain safe environments for all. Fire safety arrangements in the hospices were also reviewed satisfactorily by consultants and by the Scottish Fire and Rescue Service. These activities show a clear commitment to compliance, assurance and proactive risk management.

Health and Safety Management

Health and safety management continued to improve across the organisation. Incident, accident and near miss reporting is now embedded across teams, and learning is being shared more consistently. The Health and Safety Committee continues to provide strong oversight of mandatory training compliance and implementation of external audit recommendations. Colleague Health and Safety Representatives also play an important role in identifying and addressing any concerns early. These measures support a culture where safety is understood as everyone's responsibility.

Information Services

Over the past 12 months, the Information Services team delivered impact across several key areas. Cyber security work strengthened organisational resilience through technical controls and sustained phishing awareness activity. Advances in data and analytics improved the organisation's ability to access and use information effectively, supporting better insight and more informed decision making.

Efficiency and Best Value

Across corporate services, CHAS undertook a significant review of systems and processes to identify opportunities for greater efficiency and better value. This work has led to savings that have been reinvested into front line delivery of care and support to children and families. It is a clear example of how operational improvement in supporting functions delivers direct benefit to children and families by protecting resources and strengthening organisational sustainability.

Energy and Carbon Reporting

Our activities provide considerable societal benefits, not least to the children and families that we serve. The Directors are mindful of the need to minimise the environmental impact from our operations as far as practicable. The below table summarises our carbon footprint for the year ended 31 March 2026, together with prior year comparatives:

	Consumption 2026	Conversion Factor (per kg of CO ₂ emissions) 2026	CO ₂ Emissions (Tonnes) 2026	Consumption 2025	Conversion Factor (per kg of CO ₂ emissions) 2025	CO ₂ Emissions (Tonnes) 2025
Utilities						
Gas	1,246,768 kWh	0.183	228.16	1,282,521 kWh	0.183	234.70
Electricity	551,535 kWh	0.177	97.62	487,725 kWh	0.177	86.33
Water	6,289 m ³	0.191	1.20	8,065 m ³	0.157	1.27
Waste Water Treatment	5,452 m ³	0.171	0.93	7,144 m ³	0.205	1.46
Biomass (wood pellets)	20.6 tonnes	55.190	1.11	58.82 tonnes	55.190	3.25
LPG	17,083 litres	1.557	26.60	1,500 litres	1.557	2.34
Transport						
Owned Fleet	150,143 miles	0.825	123.87	164,864 miles	1.221	201.30
Grey Fleet	332,853 miles	0.278	92.53	355,671 miles	0.260	92.47
Total Carbon Footprint			572.02			623.12

CHAS has been working hard over the past year to improve efficiency in buildings. Some have seen the introduction of LED lights and improved heating systems. Some areas are showing increased consumption, for example LPG gas is a direct result of failure of a biomass boiler and a switch to LPG until the replacement biomass boiler was installed. Water consumption and transport mileage have reduced. In transport the owned and grey fleet mileage has reduced, there has been a positive replacement programme to newer more efficient vehicles and encouragement of car sharing where possible. Some operational carbon emissions have reduced, the installation of new gas boilers at Robin House is showing increased efficiency, and two new roofs have improved insulation. There is a small overall increase in the main due to an increase in LPG but overall good reductions are starting to show.

Governance

Legal Status

Children's Hospices Across Scotland is a company limited by guarantee with no share capital. It is registered in Scotland with company number SC136410 and is governed by its Memorandum and Articles of Association dated 28 February 1994, as most recently amended 26 September 2022.

Children's Hospices Across Scotland is registered on the Scottish Charity Register under number SC019724 and meets the definition of a charitable company for UK corporation tax purposes. Consequently, there is no liability to taxation on any of its income used for charitable purposes.

Ardoch Loch Lomond Limited (company number SC686614) is a wholly owned subsidiary of Children's Hospices Across Scotland. The company operates commercial activities from Ardoch Loch Lomond, which was gifted to CHAS in 2020.

CHAS Trading Limited (company number SC155327) is also a wholly owned subsidiary of Children's Hospices Across Scotland. The company is dormant, having previously run charity shops.

Registered Office

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

Board of Directors

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

Directors who served since 1 April 2025 are listed as follows:

Donald R Macdonald (Chair)
Dr Edward Doyle (Vice Chair)
Nigel Q D Barry
Nicola C Buchanan (appointed 25 June 2025)
Antony P Clark
Nicola M Connelly (resigned 31 July 2025)
Dr Philip L Davies (appointed 1 March 2026)
Gillian S Donald
Sean A Fitzgerald
Joanne M Hamilton (appointed 19 May 2025, resigned 31 January 2026)
Faraz M Hussain (resigned 7 October 2025)
Dr Deirdre McCormick
Edmund J Monaghan
Jacqueline M Pepper
Stephen Reid (resigned 31 July 2025)
Sophia D Salim
Caroline A Sinclair (appointed 1 March 2026)
Peter J Smyth

Company Secretary

Amanda Regan

Board Appointments

Directors are appointed in accordance with the Articles of Association and are recruited for their skills and experience in areas relevant to our activities, including nursing, paediatrics, social services, business, legal, fundraising and public relations. Importantly, we have parent members on our Board.

Directors of CHAS are not entitled to any remuneration but can be reimbursed for expenses incurred in carrying out their duties. No such expenses have been claimed this year.

Board Meetings and Governance Developments

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

The Chief Executive and Senior Leadership Team attend all Board meetings and there is executive presence at all Committee meetings. The Board meet no fewer than four times each year in alignment with quarterly reporting cycles. BDO provide an outsourced internal audit function to strengthen our internal control environment and enhance the efficiency and effectiveness of processes.

Board Committees

The Board delegates responsibility for four key areas of activity and policy to Committees in accordance with the company's Articles of Association and a Scheme of Delegation. Each Committee normally meets at least four times each year. Minutes of Committee meetings are presented at Board meetings. Terms of reference for each of the Committees are reviewed and approved by the Board every two years. The current membership and remit of each of the four Board Committees is set out below.

Clinical and Care Governance Committee

This Committee is responsible for providing leadership and strategic direction to the development of clinical and care governance across CHAS. It ensures that the care we provide is safe, effective, person centred and aligned with sectoral developments. The Committee ensures that the views of children, young people and families are incorporated in all aspects of our care development, delivery and review. The Committee ensures that excellence in care is maintained and further enhanced across CHAS through continuous professional development and sharing best practice with palliative care colleagues across the UK and further afield.

Committee Members: Jacqueline M Pepper (Convenor), Dr Edward Doyle, Faraz M Hussain (until 4 November 2025), Dr Deirdre McCormick, Sophia D Salim (from 4 November 2025).

Corporate Governance and Risk Committee

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

Committee Members: Gillian S Donald (Convenor), Antony P Clark, Donald R Macdonald, Peter J Smyth.

Finance and Audit Committee

This Committee ensures that robust financial governance and accountability is in place throughout CHAS and that we are compliant with all financial and accounting regulations and best practice. The Committee ensures that an appropriate internal control framework is in place across the organisation and plays a key role in protecting CHAS's assets and maximising its income. The Committee is responsible for oversight of capital works, and internal and external audit.

Committee Members: Sean A Fitzgerald (Convenor), Nicola M Connelly (until 31 July 2025), Nigel Q D Barry, Nicola C Buchanan, Joanne M Hamilton (until 31 January 2026), Stephen Reid (until 31 July 2025).

Rachel House Rebuild Steering Committee

This Committee was formed in late 2023 to ensure that the Rachel House rebuild project aligns with the strategic vision and mission of CHAS and that the needs of children and families are paramount in the rebuild process. It oversees the efficient use of resources to achieve the project's goals; and monitor and manage risks that impact the successful completion of each phase of the project.

Committee Members: Dr Edward Doyle (Convenor), Nicola M Connelly (until 31 July 2025), Gillian S Donald, Donald R Macdonald, Edmund J Monaghan, Gwen P Westgarth (former trustee), Robert Rankin (Co-opted member).

Executive Management

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

Chief Executive

Rami Okasha

Senior Leadership Team

Dr Annabel P Howell, Medical Director

Morven L MacLean, Director of People and Strategy

Iain W McAndrew, Director of Income Generation and Engagement

Jennifer Rodgers MBE, Director of Nursing and Family Support

Jane Smith, Chief Operating Officer

Remuneration arrangements

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

Legal and Administrative Information

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

- Harper Macleod LLP, The Ca'd'oro, 45 Gordon Street, Glasgow G1 3PE
- Turcan Connell, Princes Exchange, 1 Earl Grey Street, Edinburgh EH3 9EE
- DM Hall Chartered Surveyors, 17 Corstorphine Road, Edinburgh EH12 6DD
- CMS Cameron McKenna Nabarro Olswang LLP, 1 West Regent Street, Glasgow G2 1AP
- Brodies LLP, Capital Square, 58 Morrison Street, Edinburgh, EH3 8BP

Section 172 Statement, Employee Engagement and Business Relationships

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

The likely consequences of any decision in the long term

CHAS is very proud to have supported families on the hardest of journeys for more than 30 years. During this time, CHAS has developed a unique and integral role in the Scottish healthcare system. As such, the Directors are mindful that their diligent guardianship of the company is essential in securing the long-term viability of our vital services. In view of this, the Directors' careful attention remains on long-term financial and strategic planning to ensure CHAS remains a well-governed charity with financial strength long into the future. All significant budgetary and investment decisions are made with this objective firmly in mind.

The interests of the company's employees

Caring for children, young people and families would be impossible without dedicated and skilled employees and volunteers. CHAS's ability to attract and retain the best people is fundamental in delivering our strategy. CHAS is mindful of the emotional impact the work delivered can have, especially for front-line colleagues, so provide a range of wellbeing and psychological support. CHAS strives to continue to pay staff a competitive salary within the boundaries of our financial sustainability.

Business relationships with suppliers, customers and others

The children, young people and families cared for, together with loyal and generous supporters, are our key external stakeholders. It is their views that are at the heart of 'Unwavering Care: Our Strategic Plan 2024-28' and CHAS takes great care to ensure they remain core to all that we do. We engage widely with employees, volunteers, external professionals and other interested parties. We continue to consult extensively with children, young people and families on the Rachel House rebuild project. Effective supporter engagement and stewardship is integral to our fundraising strategy and facilitated by the excellent relationships maintained with communities, trusts and corporate donors, as evidenced by the feedback received from CHAS supporter surveys. We continue to work with local small businesses where practicable and aim to settle invoices within the agreed payment terms.

Impact on the community and the environment

Our work has a demonstrably positive social impact, not least on the children and families who access our services. Our hospices have long been embedded into the Balloch and Kinross communities which, together with other communities across Scotland and beyond, generously support the work that we do. Through our redevelopment in Kinglassie and planning for the Rachel House rebuild, CHAS has engaged significantly with the local communities in both towns. Nonetheless we remain conscious of the environmental impacts of our operations, particularly those stemming from the significant but necessary utilities consumption involved in running two hospices and from the carbon emissions resulting from the travel necessary in the provision of our outreach services, fundraising and other operations. CHAS remains committed to working on identifying all practicable ways in which we can minimise the harm caused to the environment through our activities.

High standards of business conduct

Our care and charitable activities rightly operate in a highly regulated environment and the Directors are committed to the highest standards of business conduct across all areas of our operations. We are a registered charity. Our services are regulated by Healthcare Improvement Scotland and the Care Inspectorate, and we strive to fully meet and, wherever possible, exceed the standards they expect. Our medical, nursing, healthcare, social care and social work colleagues, are all professionally registered. We strive for the highest standards in fundraising, ensuring compliance with the Institute of Fundraising's codes of conduct and practice. Many of our valued support colleagues carry professional designations and are bound by the high standards that continuing membership of their respective professional bodies require. Our core organisational values apply across CHAS. Regular core learning is in place for Directors and staff.

The need to act fairly between members of the company

The Trustee Code of Conduct, alongside Conflict of Interest and Terms of Office policies, are firmly embedded within our culture. We are proud of our Trustees who bring to the table a wide variety of life experiences and personal/professional backgrounds, including personal experience of CHAS's services. Diversity in the board room enhances the richness of conversations and ensures robust strategic decision making.

Financial Review

The Consolidated Statement of Financial Activities for the year ended 31 March 2026 shows net income of £3.2 million (2025: £720,000).

Total income increased to £29.4 million (2025: £26.2 million) for 2025/26. Income from donations rose sharply to £11.9 million (2025: £9.9 million) as our More Than A Hospice appeal gathered pace ahead of its launch in April 2026. We received £2.3 million of restricted income this year (2025: £1.2 million) for our Hospice Redevelopment programme which has the Rachel House rebuild at its heart.

We are deeply grateful to the many supporters who choose to stand alongside CHAS by leaving a gift in their Will, with legacies totalling £4.1 million being recorded (2025: £4.3 million).

Income from trading activities increased marginally to £1.3 million (2025: £1.2 million). Our retail operations performed well and generated £703,000 of income (2025: £667,000), albeit facing reduced profit margins. While Ardoch Loch Lomond experienced a year of transition, contributing £548,000 (2025: £575,000) to group income, strong bookings for the year ahead make us optimistic that we will move into profitability next year.

We greatly appreciate the continued support of our government funding partners, at a time when significant pressure remains on public finances. Statutory funding increased to £11.4 million this year (2025: £9.9 million), including £8.7 million in recurring funding from the Scottish Government and Scottish Local Authorities (2025: £7.8 million) and a further £2.7 million of non-recurring funding (2025: £2.1 million). This year also saw the welcome introduction of pay parity funding of £854,000. This enables CHAS to match pay awards made in the NHS, which is essential for the recruitment and retention of staff delivering frontline services. Income from Scottish local authorities totalled £808,000 (2025: £787,000).

Investment income remained stable at £684,000 (2025: £686,000) while interest received on bank balances reduced to £74,000 (2025: £113,000).

Total expenditure increased to £28.4 million (2025: £25.1 million) owing to three principal factors. Notwithstanding the pay parity funding support from Scottish Government, ongoing pay pressures saw staff costs increase to £18.6 million (2025: £17.7 million).

In addition, £1.3 million of non-staff costs are included in the Statement of Financial Activities in respect of expenditure ahead of the full refurbishment of Rachel House commencing in 2026/27. Finally, significant additional one-off fundraising investments were made during the year. These were to promote the continued growth of Direct Debit giving and to support the launch of our More Than A Hospice Appeal. Consequently, the Cost of Generating Voluntary Income increased to £7.3 million (2025: £5.3 million).

Support costs of £5.0 million (2025: £4.7 million) reflect the essential infrastructure required to deliver our services, including property, information services, finance, human resources and other central support functions that underpin frontline care.

Forecast

Despite the reported surplus for the year, the financial environment in which we operate remains challenging. Increased donations for our Hospice Redevelopment programme, investment gains and above average legacy income mask a significant underlying budget deficit position.

Without meaningful intervention, this structural deficit is expected to increase over the coming years, driven principally by significant cost pressures, particularly staff pay, which represents a substantial proportion of our total expenditure.

We welcome the introduction of pay parity funding from the Scottish Government. However, with only £7.9 million of our total expenditure of £28.4 million currently met by recurring Scottish Government funding, the risk of depleting reserves remains significant despite our success as a fundraising organisation.

Planned investment in our hospice infrastructure, for which no government funding is expected, will place further demands on our reserves in the medium term. Moreover, planned withdrawals from our investment portfolios will cause a significant reduction in investment income in the years ahead.

It is imperative that the underlying structural deficit is robustly addressed. Without greater certainty around future statutory funding, difficult decisions may be required, including potential changes to services. While donations and legacies are growing and remain vital to our financial sustainability, they are unlikely on their own to fully bridge this gap in the medium term and beyond.

Reserves

The Directors recognise the importance of maintaining reserves to ensure continuity of care for the children and families who depend on our services, often over many years, while also supporting the long-term development of those services. The Directors continue to consider it appropriate that CHAS should hold unrestricted funds (excluding the fixed asset fund) equivalent to no less than nine months operating expenditure, net of recurring statutory funding.

On 31 March 2026, total funds stood at £44.2 million (2025: £42.2 million). Within this balance, there is £40.2 million in unrestricted funds (2025: £40.1 million) and £4.0 million of restricted funds (2025: £2.1 million). Restricted funds represent income received for specific purposes where expenditure is yet to be incurred, with the increase in balances on last year mainly attributable to donations for our Rachel House rebuild.

Within unrestricted funds, £29.7 million has been designated for specific purposes, comprising the fixed assets (£12.7 million, principally the value of the hospice buildings and land), Hospice Redevelopment Fund (£7.8 million), Service Maintenance Fund (£8.4 million), Outreach Development Fund (£500,000) and Capital Works Fund (£447,000). The remaining unrestricted funds are held in the general reserve, which stood at £10.5 million on 31 March 2026.

For the purposes of meeting our stated reserves policy, we held £27.5 million at 31 March 2026 (2025: £28.0 million), equivalent to 16.8 months of expenditure (2025: 19.4 months). Reserves held are expected to reduce further in the coming years as we invest in the Rachel House rebuild and other essential service developments.

Investments

CHAS holds investment portfolios managed on a discretionary basis, with the objective of delivering a balanced total return through income and capital growth, within defined ethical constraints.

Investments were valued at £26.0 million on 31 March 2026 (2025: £23.9 million). This increase was driven mainly by favourable market conditions, which gave rise to £1.9 million in unrealised gains on securities held throughout the year (2025: £479,000 losses). This was supported by a further £270,000 in gains realised on the disposal of investments (2025: £30,000).

Investment performance is monitored against agreed benchmarks and was considered satisfactory this year. Our investment portfolios are under the management of:

- Canaccord Wealth, 40 Princes Street, Edinburgh EH2 2BY
- LGT Wealth Management, Capital Square, 58 Morrison Street, Edinburgh EH3 8BP

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

Principal Risks and Uncertainties

The Board is responsible for the management of risk at CHAS. The principal risks and uncertainties identified for 2025/26, set out below, are regularly assessed to ensure appropriate monitoring and mitigation measures remain in place. These are subject to the review of the Board and Corporate Governance and Risk Committee at each of their respective meetings. Other committees also consider and discuss the risks relevant to their remits.

These arrangements are supported by a risk management policy which encourages the Board, Senior Leadership Team and management to identify risks, consider escalation and review mitigations and ensure a robust control environment across all areas of our operations.

Risk	Impact	Response
Failure to deliver safe, effective and high-quality care	Harm of a child, reduced confidence in our services, reputational damage, potential litigation and a consequential loss of income	A robust clinical and care governance framework, supported by a skilled workforce, strong safeguarding arrangements, safer staffing approaches, robust adverse event reporting and review processes, standard operating procedures (covering clinical health and safety, risk assessment and infection control) and a positive learning culture.
Leading change in service delivery	Harm of a child, reduced confidence in our services, reputational damage, potential litigation and a consequential loss of income	Strengthening clinical leadership, development of a new medical on-call model, workforce capability and resilience to support the safe and sustainable delivery of high-quality care across hospice, home and hospital settings, supported by a positive learning and practice education culture.
Failure to attract, motivate, engage and retain talent	Poor workforce culture and wellbeing will result in burn-out, high staff turnover and inability to deliver services	Regular, visible, compassionate leadership from the CEO and Senior Leadership Team, robust recruitment and selection processes, supporting colleague wellbeing and engagement, ensuring CHAS remains a competitive employer, long term workforce planning for nursing, management development and inclusive people practices.
Failure to achieve financial sustainability	Insufficient financial resources to meet service demands will impede delivery of our charitable objectives	Maintaining strong financial management, robust budgeting and forecasting, staffing establishment control, defined approach to achieve cost efficiency ambitions over a three-year horizon, three-year revenue financial plan, three-year capital investment plan, and decision making underpinned by effective internal reporting. Discussions continue with Scottish Government around sustainable funding.
Failure to maintain our reputation	Potential loss of income	Strengthening the CHAS brand through insight-led communications, aligned strategic messaging, supporter engagement and established crisis communications arrangements.

Risk	Impact	Response
Failure to manage cyber security and data management	Risk of cyber-attacks, cybercrime, fraud, data loss and data breaches	Robust information management and information governance, improving cyber awareness, secure technical controls, ensuring digital infrastructure resilience, and specialist training for technical colleagues in information services.
Failure to maintain our property and assets	Deteriorating condition, increased costs, poor experience for children and families, decreased staff morale and health & safety investigation	Planned investment across the CHAS estate, preventative maintenance, health and safety assurance, and strengthened oversight of property developments and facilities management.
Failure to comply with health and safety good practice	Harm to children and families, staff, volunteers and visitors; reputational risk and loss of income	Robust health and safety framework, supported by policies and risk assessments, incident reporting, regular inspections, internal audit and ongoing staff training.
Changes in Government policy	Failure to effectively engage key stakeholders may result in loss of income and charity's voice not being heard	Regular engagement with Scottish Government officials, ministers and MSPs, supported by ongoing horizon scanning, consultation activity and strong internal policy capability. Clear policy positions, evidence-based messaging on sustainable funding, and membership of, and active engagement with, key external bodies to ensure CHAS's voice continues to be heard.

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

The trustees (who are also directors of Children's Hospices Across Scotland for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005, and the Charities (Scotland) Regulations 2006 (as amended). They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

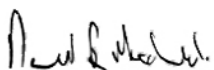
In so far as the trustees are aware:

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

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

Approval

The Board approved this annual report, which includes the Directors' Report and Strategic Report, at its meeting on 24 August 2026.



By order of the Board
Donald R Macdonald, Chair

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

Opinion

We have audited the financial statements of Children's Hospices Across Scotland (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2026 which comprise the consolidated statement of financial activities, the company statement of financial activities, the balance sheets, the cash flow statements and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the affairs of the group and the parent charitable company as at 31 March 2026 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact.

We have nothing to report in this regard.

Other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Annual Report which includes the Directors' Report and the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Annual Report which includes the Directors' Report and the Strategic Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) require us to report to you if, in our opinion:

- proper and adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities set out on page 19, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditors under the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with regulations made under those Acts.

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

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

Identifying and assessing risks related to irregularities:

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

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

Audit response to risks identified:

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

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

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

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

Use of our report

This report is made solely to the parent charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the parent charitable company's trustees, as a body, in accordance with Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the parent charitable company's members and trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the parent charitable company, the parent charitable company's members and trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Kenneth McDowell (Senior Statutory Auditor)
for and on behalf of Saffery LLP

Statutory Auditors
Level 4, 9 Haymarket Square, Edinburgh EH3 8RY

2 September 2026

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

Consolidated Statement of Financial Activities

(incorporating an income and expenditure account)
for the year ended 31 March 2026

		Unrestricted Funds £000	Restricted Funds £000	Totals 2026 £000	Totals 2025 (as restated) £000
	Note				
Income:					
<i>Donations and legacies:</i>					
Donations		6,533	5,322	11,855	9,948
Legacies		4,079	-	4,079	4,298
<i>Trading activities:</i>					
Shop sales and other trading		1,251	-	1,251	1,242
<i>Income from investments:</i>					
Investment income		684	-	684	686
Interest receivable		74	-	74	113
<i>Income from charitable activities:</i>					
Statutory funding and grant income	3	-	11,405	11,405	9,930
Other income	4	20	-	20	27
Total income		12,641	16,727	29,368	26,244
Expenditure:					
<i>Cost of raising funds:</i>					
Cost of generating voluntary income		(7,306)	-	(7,306)	(5,283)
Cost of goods sold and other trading costs		(1,178)	-	(1,178)	(1,147)
Investment management costs		(98)	-	(98)	(99)
<i>Cost of charitable activities</i>		(5,897)	(15,058)	(20,955)	(18,851)
Net interest on defined benefit pension scheme	14	784	-	784	436
Service cost adjustment on defined benefit pension scheme	14	382	-	382	(131)
Total expenditure	5	(13,313)	(15,058)	(28,371)	(25,075)
Net (expenditure)/income on operating activities	7	(672)	1,669	997	1,169
Net gains/(losses) on investments - realised		270	-	270	30
- unrealised	9	1,894	-	1,894	(479)
Net income		1,492	1,669	3,161	720
Other recognised gains					
Net remeasurement losses on defined benefit pension scheme	14	(1,166)	-	(1,166)	(305)
Net movement in funds		326	1,669	1,995	415
Reconciliation of funds					
Funds brought forward	15	40,078	2,138	42,216	41,801
Transfers during year	15	(205)	205	-	-
Funds carried forward	15	40,199	4,012	44,211	42,216

The Statement of Financial Activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

The notes on pages 28 to 52 form part of these accounts.

Company Statement of Financial Activities

(incorporating an income and expenditure account)

for the year ended 31 March 2026

		Unrestricted Funds £000	Restricted Funds £000	Totals 2026 £000	Totals 2025 (as restated) £000
	Note				
Income:					
<i>Donations and legacies:</i>					
Donations		6,533	5,322	11,855	9,948
Legacies		4,079	-	4,079	4,298
<i>Trading activities:</i>					
Shop sales and other trading		703	-	703	667
<i>Income from investments:</i>					
Investment income		684	-	684	686
Interest receivable		74	-	74	113
<i>Income from charitable activities:</i>					
Statutory funding and grant income	3	-	11,405	11,405	9,930
Other income	4	54	-	54	109
Total income		12,127	16,727	28,854	25,751
Expenditure:					
<i>Cost of raising funds:</i>					
Cost of generating voluntary income		(7,303)	-	(7,303)	(5,384)
Cost of goods sold and other trading costs		(645)	-	(645)	(460)
Investment management costs		(98)	-	(98)	(99)
<i>Cost of charitable activities</i>		(5,882)	(15,058)	(20,940)	(19,199)
Net interest on defined benefit pension scheme	14	784	-	784	436
Service cost adjustment on defined benefit pension scheme	14	382	-	382	(131)
Total expenditure	5	(12,762)	(15,058)	(27,820)	(24,837)
Net (expenditure)/income on operating activities	7	(635)	1,669	1,034	914
Net gains/(losses) on investments - realised		270	-	270	30
- unrealised	9	1,894	-	1,894	(479)
Net income		1,529	1,669	3,198	465
Other recognised gains					
Net remeasurement losses on defined benefit pension scheme	14	(1,166)	-	(1,166)	(305)
Net movement in funds		363	1,669	2,032	160
Reconciliation of funds					
Funds brought forward	15	40,356	2,138	42,494	42,334
Transfers during year	15	(205)	205	-	-
Funds carried forward	15	40,514	4,012	44,526	42,494

The Statement of Financial Activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

The notes on pages 28 to 52 form part of these accounts.

Balance Sheets as at 31 March 2026

		Group		Company	
	Note	2026 £000	2025 £000	2026 £000	2025 £000
Fixed assets					
Tangible assets	8	12,656	12,104	12,609	12,086
Investments	9	25,985	23,932	25,985	23,932
Loan to subsidiary company		-	-	243	224
		38,641	36,036	38,837	36,242
Current assets					
Stock		2	1	2	1
Debtors	11	1,747	1,316	1,689	1,321
Cash at bank and in hand		6,533	7,058	6,523	6,958
		8,282	8,375	8,214	8,280
Creditors					
Amounts falling due within one year	12	(2,552)	(2,118)	(2,365)	(1,951)
Net current assets		5,730	6,257	5,849	6,329
Provisions for liabilities	13	(160)	(77)	(160)	(77)
Net assets excluding pension deficit		44,211	42,216	44,526	42,494
Defined benefit pension scheme deficit	14	-	-	-	-
Net assets including pension deficit		44,211	42,216	44,526	42,494
The funds of the charity:					
Restricted income funds	15	4,012	2,138	4,012	2,138
Unrestricted income funds					
Fixed asset fund		12,656	12,104	12,609	12,086
Hospice redevelopment fund		7,755	10,420	7,755	10,420
Capital works fund		447	382	447	382
Service maintenance fund		8,374	7,571	8,374	7,571
Outreach development fund		500	-	500	-
General reserve		10,467	9,601	10,829	9,897
Unrestricted income funds excluding pension reserve		40,199	40,078	40,514	40,356
Pension reserve	14	-	-	-	-
Total unrestricted funds	15	40,199	40,078	40,514	40,356
Total funds	15	44,211	42,216	44,526	42,494

Approved by the Directors on 24 August 2026

Donald R Macdonald, Chair

Sean A Fitzgerald, Director

The notes on pages 28 to 52 form part of these accounts.

Cash Flow Statement

for the year ended 31 March 2026

	Group		Company	
	2026	2025	2026	2025
	£000	£000	£000	£000
Net cash (outflow)/inflow from operating activities (i)	(211)	1,391	(135)	1,303
Returns on investments and servicing of finance				
Investment income	684	686	684	686
Interest received	74	113	74	113
	758	799	758	799
Net cash inflow from returns on investments and servicing of finance				
Capital expenditure and financial investment				
Payments to acquire tangible fixed assets	(1,192)	(1,352)	(1,159)	(1,293)
Receipts from disposal of tangible fixed assets	10	-	10	-
Investments purchased	(6,246)	(6,165)	(6,246)	(6,165)
Investments disposed of	6,356	5,230	6,356	5,230
Loan to subsidiary company	-	-	(19)	(19)
	(1,072)	(2,287)	(1,058)	(2,247)
Net cash outflow from investing activities				
Decrease in cash and cash equivalents (ii)	(525)	(97)	(435)	(145)

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

	Group		Company	
	2026	2025	2026	2025
	£000	£000	£000	£000
Net income	3,161	720	3,198	465
Depreciation charge	640	619	637	617
Net remeasurement losses on defined benefit pension scheme	(1,166)	(305)	(1,166)	(305)
(Gain)/loss on disposal of tangible fixed assets	(10)	176	(10)	176
Net (gains)/losses on investments	(2,164)	449	(2,164)	449
Interest receivable and investment income	(758)	(799)	(758)	(799)
(Increase)/decrease in stock	(1)	105	(1)	105
(Increase)/decrease in debtors	(430)	1,987	(368)	2,062
Increase/(decrease) in creditors	517	(1,561)	497	(1,467)
	(211)	1,391	(135)	1,303

(ii) Analysis of net funds

	Group		Company	
	2026	2025	2026	2025
	£000	£000	£000	£000
Cash balances at beginning of year	7,058	7,155	6,958	7,103
Decrease in the year	(525)	(97)	(435)	(145)
	6,533	7,058	6,523	6,958

The notes on pages 28 to 52 form part of these accounts.

Notes to the Accounts

1 Accounting policies

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

(a) Basis of preparation

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

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

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

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

(b) Going concern

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

(c) Company status

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

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

(d) Fund accounting

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

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

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Notes to the Accounts

1 Accounting policies (*continued*)

(k) Stock

Stocks of goods purchased for resale are stated at the lower of cost and net realisable value. Stocks of donated assets are not valued for accounting purposes as it is impractical to measure their fair value.

(l) Operating lease rental costs and leasehold dilapidations

The Charity occupies eight properties under operating leases. Rental costs payable in respect of these operating leases are charged in the Statement of Financial Activities for the period to which they relate.

A dilapidations provision is recognised when there is future obligation relating to the maintenance of leasehold properties.

The provision is based on management's best estimate of the obligation which forms part of the Group's unavoidable cost of meeting its obligations under the lease contracts and over the lease term. Key uncertainties are the estimates of amounts due.

(m) Pension schemes

Lothian Pension Fund

The Charity participates in the Lothian Pension Fund, a defined benefit pension scheme open to all eligible employees. The assets of the scheme are held separately from those of the Charity and its subsidiary companies.

Pension scheme assets are measured using market values. Pension scheme liabilities are measured using a projected unit credit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liability.

The pension scheme surplus (to the extent that it is considered recoverable) or deficit is recognised in full. The movement in the scheme surplus/deficit is split between total expenditure and remeasurement gains and losses on the defined benefit pension scheme in the Statement of Financial Activities.

NHS Pension Scheme (Scotland)

The NHS Pension Scheme (Scotland) is a multi-employer scheme where the share of the assets and liabilities applicable to each employer is not identified. The Charity therefore accounts for its pension costs to this scheme on a defined contribution basis as permitted by FRS 102.

Ardoch Loch Lomond Limited pensions

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

2 Critical judgements and estimates

In preparing the financial statements, the trustees make estimates and assumptions which affect the reported results, financial position and disclosure of contingencies. Use of available information and application of judgement are inherent in the formation of the estimates, together with past experience and expectations of future events that are believed to be reasonable under the circumstances. Actual results in the future could differ from such estimates. This section discusses the principal areas where the measurement of items is strongly influenced by the assumptions and estimates used.

(a) Defined benefit pension scheme deficit/surplus

The valuation of the defined benefit pension scheme deficit/surplus is based on several major assumptions as set out in note 14. As with any set of assumptions used in such a valuation there are inherent risks and uncertainties.

The carrying value of the defined benefit pension scheme deficit/surplus is calculated on the basis of estimates of the rates of future salary, pensions in payment and deferred pension increases, as well as estimated life expectancy of current and future pensioners. Additionally the valuation is sensitive to the assumed discount rate applied to scheme liabilities. The discount rate is set with reference to yields on high quality corporate bonds and so the valuation may be subject to significant change owing to relative changes in equity and bond markets at the financial year-end.

Notes to the Accounts

2 Critical judgements and estimates *(continued)*

The valuation of the pension deficit/surplus assumes that the Charity will continue to participate in the Lothian Pension Fund. The valuation would be subject to change in the event of curtailment, settlement or discontinuance in the Charity's participation.

(b) Investment valuation

Fixed asset investments are stated at stock market valuation as at the financial year-end. As no investment is permitted in investments that are not readily realisable the trustees believe this to be an appropriate approach. As with most investments there is the risk that stock market valuation may change significantly at any time.

(c) Valuation of freehold land and buildings

The valuation of freehold land and buildings is based on historic cost which may vary to their market value or reinstatement cost. Freehold land and buildings have been assigned an economic life of 50 years. The expected useful life of freehold land and buildings may change under the influence of development of changes in paediatric palliative care and market circumstances.

(d) Recognition of legacy income

Legacy income is recognised only when there is sufficient evidence in each individual case of the probability that the income will be received and the value of this income can be measured with sufficient reliability. While this income is subject to ongoing review until these accounts are approved by the Directors, there remains a risk that legacy income relating to the year ended 31 March 2026 may come to light after this date and therefore be omitted from these accounts.

(e) Allocation of support costs

Support costs are allocated to the cost of charitable activities, cost of generating voluntary income (except Ardoch Loch Lomond Limited) and cost of goods sold and other trading costs on the basis of staff numbers as at the financial year-end. Ardoch Loch Lomond Limited is charged a fixed fee for support costs. The trustees believe this approach to be appropriate as the cost of most support functions (e.g. finance, IT, human resources, property and learning) is predominantly influenced by the number of staff each function is serving.

(f) Funds designated for future operational investment

As set out in note 15, funds have been ringfenced in the strategic and operational investment funds as we continue to pursue our strategic aim of meeting the needs of all children and families in Scotland who need our services.

CHAS continues to expand its services and the funds held in the operational investment fund are intended to reflect expected funding deficits over the coming years. In addition to this, our property estate must continue to meet operational requirements and enable the achievement of our strategic objectives. With this in mind projected capital expenditure is included in the hospice redevelopment fund and the capital works fund, while anticipated budget deficits are included in the service maintenance fund.

Notes to the Accounts

3 Income

<i>Group and Company</i>	2026 £000	2025 £000
<i>Statutory funding and grant income</i>		
Scottish Government:		
- Core funding, including top-up	9,600	9,000
- Pay parity funding	854	-
- Infrastructure services funding	143	143
Scottish Local Authorities:		
- For operation of Rachel and Robin House	808	787
	11,405	9,930

4 Other income

<i>Group</i>	2026 £000	2025 £000
<i>Unrestricted Funds</i>		
Renewable Heat Incentive	11	12
Rent from Ardoch Loch Lomond grazing sub-let	6	6
Education income	3	6
Interest received on VAT repayments	-	3
	20	27

<i>Company</i>	2026 £000	2025 £000
<i>Unrestricted Funds</i>		
Rent charged to Ardoch Loch Lomond Limited	64	64
CHAS management services charged to Ardoch Loch Lomond Limited	35	-
Interest received on loan and other funds advanced to Ardoch Loch Lomond Limited	35	36
Education income	3	6
Interest received on VAT repayments	-	3
Refund of intercompany recharges from CHAS to Ardoch Loch Lomond Limited	(83)	-
	54	109

Notes to the Accounts

5 Expenditure

<i>Group</i>	Direct costs £000	Governance costs £000	Support costs £000	Total £000	2025 (as restated) £000
<i>Cost of raising funds</i>					
Cost of generating voluntary income	6,441	63	802	7,306	5,283
Cost of goods sold and other trading costs:					
- Retail	513	10	123	646	453
- Ardoch Loch Lomond Limited	532	-	-	532	694
Investment management costs	98	-	-	98	99
<i>Cost of charitable activities</i>	16,517	325	4,113	20,955	18,851
<i>Net interest on defined benefit pension scheme</i>	(784)	-	-	(784)	(436)
<i>Service cost adjustment on defined benefit pension scheme</i>	(382)	-	-	(382)	131
	22,935	398	5,038	28,371	25,075
2025 (as restated)	20,015	358	4,702	25,075	

<i>Company</i>	Direct costs £000	Governance costs £000	Support costs £000	Total £000	2025 (as restated) £000
<i>Cost of raising funds</i>					
Cost of generating voluntary income	6,438	63	802	7,303	5,384
Cost of goods sold and other trading costs:					
- Retail	512	10	123	645	460
Investment management costs	98	-	-	98	99
<i>Cost of charitable activities</i>	16,502	325	4,113	20,940	19,199
<i>Net interest on defined benefit pension scheme</i>	(784)	-	-	(784)	(436)
<i>Service cost adjustment on defined benefit pension scheme</i>	(382)	-	-	(382)	131
	22,384	398	5,038	27,820	24,837
2025 (as restated)	19,863	358	4,616	24,837	

The activities underlying each of the above cost categories are:

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

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

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

Notes to the Accounts

5 Expenditure (*continued*)

Governance and support costs

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

As set out in the above tables, governance and support costs have been apportioned to the various activities that comprise total expenditure (except Ardoch Loch Lomond Limited), based on staff numbers supported. Effective from 1 April 2025, CHAS entered into an agreement with Ardoch Loch Lomond Limited to charge £35,000 per annum for governance and administrative support. Beginning in 2026/27, this charge will be subject to an adjustment reflecting the CPI rate in force on 31 March each year. Further details on the composition of support costs are set out in the table below.

<i>Group</i>	2026	2025
	£000	£000
Property management	1,242	1,042
Information services	1,030	967
Finance	837	753
Human resources and learning	709	756
Communications, advocacy and public relations	561	610
Strategy and involvement	256	226
Volunteering	223	173
Executive support	180	175
	5,038	4,702

Notes to the Accounts

6 Staff costs

	2026 £000	2025 (as restated) £000
Salaries	15,021	13,964
Social security costs	1,954	1,402
Pensions	2,780	2,591
Service cost adjustment on defined benefit pension scheme	(382)	131
Net interest on defined benefit pension scheme	(784)	(436)
	18,589	17,652

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

	2026	2025
£60,001 - £70,000	26	13
£70,001 - £80,000	6	3
£80,001 - £90,000	3	3
£90,001 - £100,000	2	1
£100,001 - £110,000	2	1
£120,001 - £130,000	3	-
£140,001 - £150,000	-	1
£150,001 - £160,000	1	-
£160,001 - £170,000	1	1

This includes 26 senior medical doctors and nursing staff (2025: 14) remunerated on the equivalent of NHS salary scales and pension arrangements and includes payments made through the CHAS payroll in respect of services provided to NHS Boards by medical consultants. For the above employees, £672,584 (2025: £337,783) was paid to the NHS Pension Scheme (Scotland) and Lothian Pension Fund.

By the end of the year the number of employees was 364 (2025: 362). In addition, there were 910 volunteers who were not remunerated but can claim expenses. The average number of employees was 363, of whom 126 (84 full-time equivalent) were part-time.

The charity considers that its key management personnel comprise the Senior Leadership Team. Total remuneration (including employer's National Insurance and pension contributions) of key management personnel for the year was £994,503 (2025: £859,606).

No remuneration was paid to the Directors in respect of their services to the Charity (2025: nil). Travel expenses paid to Directors was £nil (2025: £nil).

Ex gratia payments totalling £21,183 were paid to two employees during the financial year.

7 Net income on operating activities

This is stated after charging:

	2026 £000	2025 £000
External statutory auditor's remuneration:		
- Audit of these financial statements	25	24
Amounts receivable by external statutory auditor and associates in respect of:		
- Audit of financial statements of subsidiaries pursuant to legislation	5	5
Internal auditor's remuneration	26	23
Indemnity insurance for Directors	3	3
Operating lease rentals – land and buildings	203	191

Notes to the Accounts

8 Tangible fixed assets

Group	Freehold land and buildings £000	Short leasehold £000	Motor vehicles £000	Hospice equipment £000	Computer equipment £000	Furniture and fittings £000	Total £000
Cost / valuation as at 1 April 2025	17,198	269	462	1,088	1,080	1,494	21,591
Additions	939	35	17	7	22	172	1,192
Disposals	-	-	(56)	-	-	-	(56)
Cost / valuation as at 31 March 2026	<u>18,137</u>	<u>304</u>	<u>423</u>	<u>1,095</u>	<u>1,102</u>	<u>1,666</u>	<u>22,727</u>
Accumulated depreciation as at 1 April 2025	6,111	246	318	982	957	873	9,487
Charge for year	310	8	70	67	59	126	640
Disposals	-	-	(56)	-	-	-	(56)
Accumulated depreciation as at 31 March 2026	<u>6,421</u>	<u>254</u>	<u>332</u>	<u>1,049</u>	<u>1,016</u>	<u>999</u>	<u>10,071</u>
Net book value at 31 March 2026	<u>11,716</u>	<u>50</u>	<u>91</u>	<u>46</u>	<u>86</u>	<u>667</u>	<u>12,656</u>
Net book value at 31 March 2025	<u>11,087</u>	<u>23</u>	<u>144</u>	<u>106</u>	<u>123</u>	<u>621</u>	<u>12,104</u>

The purposes for which the tangible fixed assets held for charity use at 31 March 2026 were as follows:

Group	Freehold land and buildings £000	Short leasehold £000	Motor vehicles £000	Hospice equipment £000	Computer equipment £000	Furniture and fittings £000	Total £000
Purpose:							
Hospice services	10,516	-	75	46	-	615	11,252
Ardoch Loch Lomond, fundraising, management and administration	1,200	50	16	-	86	52	1,404
	<u>11,716</u>	<u>50</u>	<u>91</u>	<u>46</u>	<u>86</u>	<u>667</u>	<u>12,656</u>

Notes to the Accounts

8 Tangible fixed assets (continued)

Company	Freehold land and buildings £000	Ardoch Loch Lomond property £000	Short leasehold £000	Motor vehicles £000	Hospice equipment £000	Computer equipment £000	Furniture and fittings £000	Total £000
Cost / valuation as at 1 April 2025	15,998	1,200	269	454	1,088	1,080	1,474	21,563
Additions	940	-	35	17	7	21	140	1,160
Disposals	-	-	-	(56)	-	-	-	(56)
Cost / valuation as at 31 March 2026	<u>16,938</u>	<u>1,200</u>	<u>304</u>	<u>415</u>	<u>1,095</u>	<u>1,101</u>	<u>1,614</u>	<u>22,667</u>
Accumulated depreciation as at 1 April 2025	6,112	-	246	311	982	957	869	9,477
Charge for year	310	-	8	70	67	58	124	637
Disposals	-	-	-	(56)	-	-	-	(56)
Accumulated depreciation as at 31 March 2026	<u>6,422</u>	<u>-</u>	<u>254</u>	<u>325</u>	<u>1,049</u>	<u>1,015</u>	<u>993</u>	<u>10,058</u>
Net book value at 31 March 2026	<u>10,516</u>	<u>1,200</u>	<u>50</u>	<u>90</u>	<u>46</u>	<u>86</u>	<u>621</u>	<u>12,609</u>
Net book value at 31 March 2025	<u>9,886</u>	<u>1,200</u>	<u>23</u>	<u>143</u>	<u>106</u>	<u>123</u>	<u>605</u>	<u>12,086</u>

The purposes for which the tangible fixed assets held for charity use at 31 March 2026 were as follows:

Company	Freehold land and buildings £000	Ardoch Loch Lomond property £000	Short leasehold £000	Motor vehicles £000	Hospice equipment £000	Computer equipment £000	Furniture and fittings £000	Total £000
Purpose:								
Hospice services	10,516	-	-	75	46	-	615	11,252
Fundraising, management and administration	-	1,200	50	15	-	86	6	1,357
	<u>10,516</u>	<u>1,200</u>	<u>50</u>	<u>90</u>	<u>46</u>	<u>86</u>	<u>621</u>	<u>12,609</u>

Notes to the Accounts

9 Fixed asset investments

Group and Company	2026 £000	2025 £000
Quoted investments at market value at beginning of year	23,932	23,446
Additions during year	6,246	6,165
Disposals during year	(6,087)	(5,200)
	24,091	24,411
Net unrealised gains/(losses)	1,894	(479)
Market value at end of year	25,985	23,932
Historical cost at end of year	20,597	20,491

	2026		2025	
Fixed asset investments are represented by:	£000	%	£000	%
UK equities	3,809	14.7	5,824	24.3
Investment and unit trusts	13,201	50.8	10,999	46.0
Overseas equities	6,990	26.9	5,389	22.5
	24,000	92.4	22,212	92.8
Fixed interest securities	1,985	7.6	1,323	5.5
UK debentures and loan stocks	-	-	397	1.7
Total managed portfolio	25,985	100.0	23,932	100.0

Post balance sheet event

Following the year end of 31 March 2026 and before the financial statements were authorised for issue, the trustees approved the sale of investments with a market value of £6 million. The transactions were completed in May 2026.

The sale was undertaken to partly fund planned capital expenditure by crystallising unrealised gains accumulated in the charity's investment portfolios.

As the transaction relates to management decisions and conditions arising after the reporting date, it is considered a non-adjusting event under FRS 102 Section 32.

Notes to the Accounts

10 Subsidiary companies

(a) Ardoch Loch Lomond Limited

Ardoch Loch Lomond Limited, a wholly owned subsidiary, operates the commercial activities at Ardoch Loch Lomond, facilitating special events, meetings and accommodation. A summary of its results as at 31 March 2026 are shown below. The company which was incorporated on 20 January 2021, formally commenced trading from 1 July 2021. The Registered Office of Ardoch Loch Lomond Limited is the same as the Charity. Owing to the negative Balance Sheet total for Ardoch Loch Lomond Limited, the Directors of CHAS will provide a letter of support stating that CHAS will make available such funds as are required to enable Ardoch Loch Lomond Limited to meet all of its liabilities as they fall due over the next 12 months.

			Loss	
	Income £000	Expenditure £000	2026 £000	2025 £000
Ardoch Loch Lomond Limited	576	(583)	(7)	(159)

The net assets of Ardoch Loch Lomond Limited at 31 March 2026 were:

	£000
Fixed assets	46
Debtors	68
Cash at bank	10
Total current assets	78
Creditors: amounts falling due within one year	(535)
Net current liabilities	(457)
Creditors: amounts falling due in more than one year	(243)
Net liabilities	(654)

Included in creditors falling due within one year is an amount of £338,398 (2025: £447,826) due to the Charity. This comprises £200,000 drawn down on a formal credit facility provided by the Charity (2025: £200,000) and £138,398 due to the Charity through an informal intercompany account (2025: £247,826). An exceptional doubtful debt provision of £338,000 has been made against these balances in the charity's accounts (2025: £368,000). Creditors falling due in more than one year is comprised entirely of a loan granted by the Charity, with a balance outstanding of £242,964 as at 31 March 2026 (2025: £224,192).

(b) CHAS Trading Limited

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

Notes to the Accounts

11 Debtors

	Group 2026 £000	Group 2025 £000	Company 2026 £000	Company 2025 £000
Taxation refunds	444	239	444	239
VAT	397	292	407	287
Prepayments	342	306	321	284
Sundry debtors	221	141	174	93
Legacies receivable	343	338	343	338
Amounts due from Ardoch Loch Lomond Limited (note 10)	-	-	-	80
	1,747	1,316	1,689	1,321

12 Creditors: amounts falling due within one year

	Group 2026 £000	Group 2025 £000	Company 2026 £000	Company 2025 £000
Accruals and sundry creditors	2,120	1,797	1,937	1,633
PAYE & NI payable	432	321	428	318
	2,552	2,118	2,365	1,951

13 Provisions for liabilities

	Group & Company 2026 £000	Group & Company 2025 £000
Dilapidations	160	77
	160	77
Movements on dilapidations provision:		
		Group & Company 2026 £000
As at 1 April 2025		77
Additional provisions in the year		81
Transferred from creditors falling due within one year		10
Release of provision		(8)
As at 31 March 2026		160

Notes to the Accounts

13 Provisions for liabilities (*continued*)

Dilapidations provision

The Group leases a number of properties and have estimated the expected leasehold dilapidation costs for these properties over the remaining period of each respective lease. This information has been used to establish the fair value of the expected costs as at 31 March 2026. The provision above is in respect of leases entered into by the Group expiring on 1 April 2027 or later. The Group has used the same basis to establish the fair value of expected dilapidation costs on leases expiring within one year, and those on tacit relocation. These costs are included within accruals and sundry creditors (note 12).

14 Pension schemes

Group and Company

Lothian Pension Fund (LPF) valuation

The Charity participates in the LPF, a pension scheme providing benefits based on career average pensionable pay. As at 31 March 2026, 292 staff were members of the scheme (2025: 270).

The information disclosed below is in respect of the Charity's share of the assets and liabilities of the whole scheme under an agreed policy throughout the years shown. The assumptions used by the Charity, as disclosed below, were recommended by independent actuaries for application, approved by LPF and adopted by the Directors of Children's Hospices Across Scotland.

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

Although the actuarial valuation of the Charity's position in the LPF indicates a £16.1 million surplus (2025: £13.3 million), this is not recognised as an asset on the Balance Sheet. The Directors are of the view that the likelihood of realising the surplus, either in the form of a cash payment or through future reductions to the employer contribution rate, is very low. Therefore, it is considered imprudent to recognise any asset related to the pension surplus from the actuarial valuation as at 31 March 2026.

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

Notes to the Accounts

14 Pension schemes *(continued)*

	2026 £000	2025 £000
Fair value of assets attributed to the Charity	44,034	39,189
Present value of defined benefit obligation attributed to the Charity	(27,934)	(25,862)
Net surplus on actuarial valuation	16,100	13,327
Restriction on net surplus recognised as an asset	(16,100)	(13,327)
Net surplus recognised as an asset in the Balance Sheet	-	-

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

	2026 £000	2025 £000
Opening defined benefit obligation attributed to the Charity	25,862	28,892
Current service cost	1,366	1,737
Interest cost	1,544	1,444
Contributions paid by members	609	553
Estimated benefits paid	(434)	(454)
Expected closing position	28,947	32,172
Remeasurement gains	(1,013)	(6,310)
	27,934	25,862

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

	2026 £000	2025 £000
Opening fair value of assets attributed to the Charity	39,189	37,957
Interest income on assets attributed to the Charity	2,328	1,880
Contributions paid by members	609	553
Contributions paid by the Charity	1,748	1,606
Estimated benefits paid	(434)	(454)
Expected closing position	43,440	41,542
Remeasurement gains/(losses)	594	(2,353)
Closing fair value of assets attributed to the Charity	44,034	39,189

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

	2026 £000	2025 (as restated) £000
Current service cost	1,366	1,737
Net interest	(784)	(436)
Expenditure recognised in the Statement of Financial Activities	582	1,301

Notes to the Accounts

14 Pension schemes (continued)

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

	2026 £000	2025 (as restated) £000
Changes in financial assumptions	1,421	5,977
Changes in demographic assumptions	(148)	46
Other experience adjustments	(260)	287
Actuarial gains	1,013	6,310
Return on assets attributed to the Charity excluding interest income	594	(2,353)
Remeasurement gains on actuarial valuation	1,607	3,957
Restriction on net asset recognised in these accounts	(2,773)	(4,262)
Net remeasurement losses including restriction on net asset recognised in the Statement of Financial Activities	(1,166)	(305)

The fair value of the scheme's assets attributed to the Charity, which are not intended to be realised in the short term and may be subject to significant change before they are realised, were:

	2026 £000	2025 £000
Equities	30,384	27,040
Bonds	8,366	7,838
Property	3,523	3,527
Cash	1,761	784
Fair value of assets attributed to the Charity	44,034	39,189

The major assumptions used in this valuation were:

	2026	2025
Rate of increase in salaries	3.70%	3.45%
Rate of increase in pensions in payment and deferred pensions	3.00%	2.75%
Discount rate applied to scheme liabilities	6.30%	5.80%

Life expectancy is based on the Fund's VitaCurves with improvements in line with the CMI 2025 model, with core parameterisation, initial adjustment of 0.25% and a long term rate of improvement of 1.5% p.a. for both males and females. Based on these assumptions, the average future life expectancies at age 65 for the Employer are summarised below:

	Male	Female
Current pensioners	21.1 years	23.0 years
Future pensioners	22.1 years	24.9 years

Notes to the Accounts

14 Pension schemes *(continued)*

The sensitivities regarding the major assumptions used to measure the defined benefit obligation attributed to the Charity are set out below:

	Approximate increase to obligation	Approximate monetary amount £000
0.1% decrease in the real discount rate	2%	594
1 year increase in member life expectancy	4%	1,117
0.1% increase in the salary increase rate	0%	18
0.1% increase in the pension increase rate	2%	576

It is estimated that the Charity will contribute £1,744,000 to this defined benefit scheme in the year ending 31 March 2027.

NHS Pension Scheme (Scotland)

The NHS Pension Scheme (Scotland) is a multi-employer defined benefit scheme where the share of the assets and liabilities applicable to each participating employer is not identified. The Charity therefore accounts for its pension costs to this scheme on a defined contribution basis as permitted by Financial Reporting Standard 102. The Government Actuary's Department assessed the pension liability of the NHS Pension Scheme (Scotland) at £53.6 billion as at 31 March 2025.

In the year ended 31 March 2026, normal employer contributions of £1,015,000 were paid to the NHS Pension Scheme (Scotland) (2025: £994,000) at the rate of 22.5% of pensionable earnings (2025: 22.5%). As at 31 March 2026, 84 staff were members of the scheme (2025: 92) paying between 5.7% and 12.7% of pensionable earnings.

Other pension arrangements

Ardoch Loch Lomond Limited entered into an agreement with Smart Pension Limited in 2021 to participate in a multi-employer defined contribution scheme for the benefit of its employees. As at 31 March 2026, six staff (2025: seven) were members of the scheme. Normal employer contributions of £9,000 (2025: £10,000) were paid in the year.

Notes to the Accounts

15 Statement of funds

Group

	As at 1 April 2025 £000	Income £000	Expenditure £000	Other gains and losses £000	Transfers £000	As at 31 March 2026 £000
Restricted income funds						
Hospice development	1,202	2,258	(226)	-	200	3,434
Pension shortfall funding	631	-	(176)	-	-	455
Robin House	281	1,250	(1,420)	-	5	116
Rachel House	14	1,800	(1,809)	-	-	5
Service development	10	1	(9)	-	-	2
Scottish Government - core, one-off top-up and pay parity funding	-	10,455	(10,455)	-	-	-
Scottish Local Authorities	-	808	(808)	-	-	-
Scottish Government - infrastructure services funding	-	143	(143)	-	-	-
Outreach services	-	12	(12)	-	-	-
Total restricted income funds	2,138	16,727	(15,058)	-	205	4,012
Unrestricted income funds						
<i>Designated funds:</i>						
Fixed asset fund	12,104	-	-	-	552	12,656
Hospice redevelopment fund	10,420	-	-	-	(2,665)	7,755
Capital works fund	382	-	-	-	65	447
Service maintenance fund	7,571	-	-	-	803	8,374
Outreach development fund	-	-	-	-	500	500
General reserve	9,601	12,641	(13,313)	998	540	10,467
Pension reserve	-	-	-	-	-	-
Total unrestricted income funds	40,078	12,641	(13,313)	998	(205)	40,199
Total funds	42,216	29,368	(28,371)	998	-	44,211

Notes to the Accounts

15 Statement of funds (continued)

Group

	As at 1 April 2024 £000	Income £000	Expenditure £000	Other gains and losses £000	Transfers £000	As at 31 March 2025 (as restated) £000
Restricted income funds						
Hospice development	-	1,156	-	-	46	1,202
Pension shortfall funding	791	-	(160)	-	-	631
Robin House	189	402	(306)	-	(4)	281
Rachel House	100	66	(110)	-	(42)	14
Service development	165	10	(165)	-	-	10
Scottish Government - core and one-off top-up funding	-	9,000	(9,000)	-	-	-
Scottish Local Authorities	-	787	(787)	-	-	-
Scottish Government - infrastructure services funding	-	143	(143)	-	-	-
Total restricted income funds	1,245	11,564	(10,671)	-	-	2,138
Unrestricted income funds						
<i>Designated funds:</i>						
Fixed asset fund	11,547	-	-	-	557	12,104
Hospice redevelopment fund	8,150	-	-	-	2,270	10,420
Capital works fund	1,800	-	-	-	(1,418)	382
Service maintenance fund	6,269	-	-	-	1,302	7,571
General reserve	12,790	14,680	(14,404)	(754)	(2,711)	9,601
Pension reserve	-	-	-	-	-	-
Total unrestricted income funds	40,556	14,680	(14,404)	(754)	-	40,078
Total funds	41,801	26,244	(25,075)	(754)	-	42,216

Notes to the Accounts

15 Statement of funds (continued)

Company

	As at 1 April 2025 £000	Income £000	Expenditure £000	Other gains and losses £000	Transfers £000	As at 31 March 2026 £000
Restricted income funds						
Hospice development	1,202	2,258	(226)	-	200	3,434
Pension shortfall funding	631	-	(176)	-	-	455
Robin House	281	1,250	(1,420)	-	5	116
Rachel House	14	1,800	(1,809)	-	-	5
Service development	10	1	(9)	-	-	2
Scottish Government - core, one-off top-up and pay parity funding	-	10,455	(10,455)	-	-	-
Scottish Local Authorities	-	808	(808)	-	-	-
Scottish Government - infrastructure services funding	-	143	(143)	-	-	-
Outreach services	-	12	(12)	-	-	-
Total restricted income funds	2,138	16,727	(15,058)	-	205	4,012
Unrestricted income funds						
<i>Designated funds:</i>						
Fixed asset fund	12,086	-	-	-	523	12,609
Hospice redevelopment fund	10,420	-	-	-	(2,665)	7,755
Capital works fund	382	-	-	-	65	447
Service maintenance fund	7,571	-	-	-	803	8,374
Outreach development fund	-	-	-	-	500	500
General reserve	9,897	12,127	(12,762)	998	569	10,829
Pension reserve	-	-	-	-	-	-
Total unrestricted income funds	40,356	12,127	(12,762)	998	(205)	40,514
Total funds	42,494	28,854	(27,820)	998	-	44,526

Notes to the Accounts

15 Statement of funds (continued)

Company

	As at 1 April 2024 £000	Income £000	Expenditure £000	Other gains and losses £000	Transfers £000	As at 31 March 2025 (as restated) £000
Restricted income funds						
Hospice development	-	1,156	-	-	46	1,202
Pension shortfall funding	791	-	(160)	-	-	631
Robin House	189	402	(306)	-	(4)	281
Rachel House	100	66	(110)	-	(42)	14
Service development	165	10	(165)	-	-	10
Scottish Government - core and one-off top-up funding	-	9,000	(9,000)	-	-	-
Scottish Local Authorities	-	787	(787)	-	-	-
Scottish Government - infrastructure services funding	-	143	(143)	-	-	-
Total restricted income funds	1,245	11,564	(10,671)	-	-	2,138
Unrestricted income funds						
<i>Designated funds:</i>						
Fixed asset fund	11,586	-	-	-	500	12,086
Hospice redevelopment fund	8,150	-	-	-	2,270	10,420
Capital works fund	1,800	-	-	-	(1,418)	382
Service maintenance fund	6,269	-	-	-	1,302	7,571
General reserve	13,284	14,187	(14,166)	(754)	(2,654)	9,897
Pension reserve	-	-	-	-	-	-
Total unrestricted income funds	41,089	14,187	(14,166)	(754)	-	40,356
Total funds	42,334	25,751	(24,837)	(754)	-	42,494

Restricted income received in the year relates to trust funding, legacies, donations and statutory funding for particular projects and areas of care and support for children and families. The funds held at 31 March 2026 relate to specific expenditure yet to be incurred.

Funding received from the Scottish Government and Scottish Local Authorities is not to be utilised for fundraising costs (including events), trading and investment management fees and hence is restricted. Pharmaceutical supplies are also not covered as these are usually delivered free of charge from local NHS boards. While training and education is within the remit of the funding any income derived from these activities should be netted off and only net costs of education and training will be provided for. This funding is generally spent by the Charity in the year in which it is received, except for pension shortfall funding from the Scottish Government, which will meet increased pension costs.

Funds restricted for Service Development relate to amounts received to fund new clinical posts and initiatives. Restricted funds relating to Rachel House, Robin House and outreach services relate to money provided by individuals, companies, trusts and foundations to support the operation and staffing of these parts of our organisation.

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

Notes to the Accounts

15 Statement of funds (continued)

The fixed asset fund reflects the net book value of the group's tangible fixed assets, including Rachel House, Robin House and Ardoch Loch Lomond. The hospice redevelopment fund represents sums earmarked for major capital works at our Rachel House hospice and ongoing capital investment at Robin House. In addition, the Directors have set aside further reserves to cover non-hospice capital projects over the coming three years in the capital works fund. The service maintenance fund represents sums set aside to cover anticipated operating deficits over the forthcoming three year period. The outreach development fund earmarks funds to be used in improving and expanding the provision of our CHAS at Home service and our presence in Scottish children's hospitals.

The general reserve includes any free funds of the Charity to the extent that they have not been designated for particular purposes. The Directors anticipate that the general reserve will continue to decrease in the foreseeable future owing to the forecast budget deficits in the years immediately ahead. The pension reserve represents any shortfall in funding for the organisational defined benefit pension scheme held with Lothian Pension Fund as supplied by independent actuaries. As the actuarial valuation reported a surplus on 31 March 2026 (albeit which was not recognised in these accounts), the pension reserve balance is currently nil.

16 Commitments

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

	2026 £000	2025 £000
Contracted but not provided for - capital projects	191	197

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

	2026 £000	2025 £000
Land and buildings		
Within one year	204	105
In the second to fifth years inclusive	379	98
In over five years	13	18
	596	221

17 Contingent assets

Legacies

In July 2015, the Charity received notification that it was a beneficiary of a significant legacy gift, pending the sale of four heritable properties by the Executors of the estate. The Charity have received interim distributions totalling £950,000 from the estate, with further substantial payments possible. The amount and timing of such payments remain subject to considerable uncertainty and is therefore not included in these accounts as an asset.

18 Contingent liabilities

Pensions – strain on fund costs

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

The calculation of strain on fund costs is performed annually in arrears. During the year, the Charity was notified that no strain costs were payable in respect of 2024/25 (2023/24: £nil).

The Charity may have a strain cost liability for 2025/26. Owing to the complexity of strain cost calculations, and the specialist actuarial input required, the Charity is not able to estimate the amount of any potential liability, or if indeed that such a liability exists.

Notes to the Accounts

19 Analysis of net assets between funds

Group	Restricted Funds £000	General Reserves £000	Designated Funds £000	Total £000
Fund balances at 31 March 2026 are represented by:				
Tangible fixed assets	-	-	12,656	12,656
Investments	-	8,909	17,076	25,985
Current assets	4,012	4,270	-	8,282
Current liabilities - falling due within one year	-	(2,552)	-	(2,552)
Provision for liabilities	-	(160)	-	(160)
Net assets including pension deficit	4,012	10,467	29,732	44,211

Fund balances at 31 March 2025 are represented by:

Tangible fixed assets	-	-	12,104	12,104
Investments	-	5,559	18,373	23,932
Current assets	2,138	6,237	-	8,375
Current liabilities - falling due within one year	-	(2,118)	-	(2,118)
Provision for liabilities	-	(77)	-	(77)
Net assets including pension deficit	2,138	9,601	30,477	42,216

Company	Restricted Funds £000	General Reserves £000	Designated Funds £000	Total £000
Fund balances at 31 March 2026 are represented by:				
Tangible fixed assets	-	-	12,609	12,609
Investments	-	8,909	17,076	25,985
Loan to subsidiary company	-	243	-	243
Current assets	4,012	4,202	-	8,214
Current liabilities - falling due within one year	-	(2,365)	-	(2,365)
Provision for liabilities	-	(160)	-	(160)
Net assets including pension deficit	4,012	10,829	29,685	44,526

Fund balances at 31 March 2025 are represented by:

Tangible fixed assets	-	-	12,086	12,086
Investments	-	5,559	18,373	23,932
Loan to subsidiary company	-	224	-	224
Current assets	2,138	6,142	-	8,280
Current liabilities - falling due within one year	-	(1,951)	-	(1,951)
Provision for liabilities	-	(77)	-	(77)
Net assets including pension deficit	2,138	9,897	30,459	42,494

Notes to the Accounts

20 Prior year Statement of Financial Activities

Group	Unrestricted Funds £000	Restricted Funds £000	2025 (as restated) Total £000
Income:			
Donations and legacies	12,612	1,634	14,246
Trading activities	1,242	-	1,242
Income from investments	799	-	799
Income from charitable activities	27	9,930	9,957
Total income	14,680	11,564	26,244
Expenditure:			
Cost of raising funds	(6,474)	-	(6,474)
Cost of charitable activities	(7,930)	(10,671)	(18,601)
Total expenditure	(14,404)	(10,671)	(25,075)
Net income on operating activities	276	893	1,169
Net losses on investments	(449)	-	(449)
Net remeasurement losses on defined benefit pension scheme	(305)	-	(305)
Net movement in funds	(478)	893	415
Company			
Income:			
Donations and legacies	12,612	1,634	14,246
Trading activities	667	-	667
Income from investments	799	-	799
Income from charitable activities	109	9,930	10,039
Total income	14,187	11,564	25,751
Expenditure:			
Cost of raising funds	(5,888)	-	(5,888)
Cost of charitable activities	(8,278)	(10,671)	(18,949)
Total expenditure	(14,166)	(10,671)	(24,837)
Net income on operating activities	21	893	914
Net losses on investments	(449)	-	(449)
Net remeasurement losses on defined benefit pension scheme	(305)	-	(305)
Net movement in funds	(733)	893	160

Notes to the Accounts

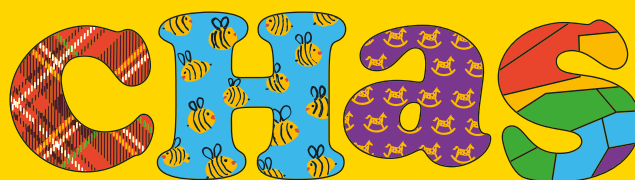
21 Prior Year Adjustment

During the year ended 31 March 2026, an accounting error came to light affecting the way in which movements in the valuation of the defined benefit pension scheme (Lothian Pension Fund) are reflected in the accounts.

As a result of this error, salary costs were overstated by £305,000 and net remeasurement losses were understated by £305,000.

The error has been corrected by adjusting 2025 comparative figures in both the group and parent charitable company Statements of Financial Activities. The adjustments also affect the Cash Flow Statement (reconciliation of net expenditure to the net cash outflow from operating activities), and several notes to the accounts. Where relevant, adjusted figures are labelled "as restated" in the notes.

The adjustments do not affect the Balance Sheet, and the net movement in funds for 2025 is unchanged.



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