

Havens Hospices
(Formerly Havens Christian Hospice)
Report & Financial Statements
31 March 2020

Havens Hospices

Reference and administrative details

For the year ended 31 March 2020

Status	The organisation is a charitable company limited by guarantee, incorporated on 30 March 1993 in the UK and registered as a charity in England & Wales on 2 June 1993	
Company number	2805007	
Charity number	1022119	
Registered office and operational address	226 Priory Crescent Southend on Sea Essex SS2 6PR	
Other trading names	<i>Fair Havens, Little Havens, The Heath Centre, Leaves of Life and The J's Hospice</i>	
Trustees	The trustees, who are also directors under company law, who served during the year and up to the date of this report were as follows: Mr R DeCristofano Mr T Harding FCA Revd C Pegler Mr R Player Mrs M Roberts-Smith Mr B Terry MBA Mr S Turner Mr B Linger Mrs E Mell Mr P Duell Mrs Barbara Armitage <i>a. Also a Director of Havens Hospices Trading Company Ltd</i> <i>b. Also a Director of Havens Development Company Ltd</i>	
Key management Personnel	Mr S Smith BA (Hons) MAPM Ms E Miller Mr T Johnson CMIPD Mr M Belham ACA	Chief Executive Officer (Appointed July 2019) Director of Care and Executive Nurse <i>a.</i> Director of Trading and Income Generation (Appointed 7 October 2019) <i>a.</i> Director of Finance and Business Development (Resigned August 2019)

Havens Hospices

Reference and administrative details

For the year ended 31 March 2020

Principal bankers	National Westminster Bank plc South Essex Commercial Office 3rd Floor Phoenix Place Christopher Martin Road Basildon Essex SS14 3GQ
Principal solicitors	BTMK Todmans Barringtons Hockley Road Rayleigh Essex SS6 8EH
Auditors	Sayer Vincent LLP Chartered Accountants and Statutory Auditors Invicta House 108-114 Golden Lane London EC1Y 0TL

VISION STATEMENT

Making Every Day Count

MISSION STATEMENT

“Our Mission is to offer the best possible palliative and supportive care, free from fear and barriers, where the patient and those important to them are always put first.”

Havens Hospices

Report of the trustees

For the year ended 31 March 2020

The trustees present their report and the audited financial statements for the year ended 31 March 2020.

The charity changed its name from Havens Christian Hospice on 17 September 2019.

The financial statements comply with the current statutory requirements, the charity's Articles of Association and the Statement of Recommended Practice - Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with financial reporting standard *FRS 102*. The reference and administrative information set out on pages 2 and 3 forms part of this report.

Objectives and core charitable activities

Purposes and aims

The trustees regularly review the aims, objectives and activities of the charity. As set out in the charity's governing documents, the object of the organisation is to provide care and support to people of all ages who have a chronic, life limiting or terminal condition, , and to support their families, relatives and loved ones. In pursuing this object, the trustees may also carry out such charitable purposes as, in their absolute discretion, they determine to be appropriate.

The organisation fulfils its objects by means of the services it provides through Fair Havens and Little Havens hospices, across a range of in-patient and community based services. Fair Havens provides care to the local adult populations in Southend and Castle Point and Rochford Little Havens provides care and support to children and their families across the county of Essex. The J's provides care and support to young adults throughout Essex. Further details of the care delivered by the charity are set out in pages 5 and 6 of this report.

The trustees' Vision and Mission Statements are set out on page 3. The Vision and Mission Statements were amended and adopted by the Trustees in September 2019.

This report looks at what the charity has achieved and the outcomes of its work during the year under review, looking in particular at the success of each key activity and the benefits that the charity has brought to those groups of people that the hospice exists to serve. This review also helps the trustees to ensure that the charity's aims, objectives and activities remain focused on its core purposes.

The trustees have referred to the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives, and in planning the hospices' future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives that have been set, and to meeting the core charitable object enshrined in the organisation's governing documents.

As a result of their review, the trustees are confident that the activities carried out by the charity in the year under review have been undertaken for the public benefit of all persons served by the hospices, in delivering a wide range of services to those in need.

Use of volunteers

Of the whole organisation's 939 volunteers, 559 work in its 23 charity shops and trading warehouse, with a typical shop having two members of paid staff and, depending on size, an average pool of some 25 volunteers. Volunteers also support paid staff in all areas of the organisation, including care areas, reception, kitchens, gardens, fundraising, administration and finance. The trustees pay tribute to their invaluable contribution, carrying out essential tasks to enable the organisation to function in an effective and professional way. The number of volunteers disclosed here includes the trustees, some of whom are also directors of the charity's subsidiary companies (see page 2).

The charity estimates that, in the year to March 2020, its volunteers gave some 180,000 hours of time, which - using the valuation method advised by the National Council for Voluntary Organisations - contributed an economic saving to the charity of around £2.5m.

Havens Hospices

Report of the trustees

For the year ended 31 March 2020

Strategic report

Strategy

The strategic objectives of 2019/20 were originally set to focus on reviewing all our patient facing services, improving standards, and improving staff culture. With the onset of the Coronavirus pandemic in February 2020, the charity had to revisit these objectives.

With the pace and growth of our financial recovery dictated by the strength of the economy, it is unlikely we will be able to continue raising funds from the public, trusts, and corporate groups at the same levels we did before March 2020. Whilst the impact of the pandemic unfolds we should focus our efforts on consolidating the excellent services we provide and rebuild our organisation into something that fits with the altered landscape. In order that we adapt we have updated our strategic objectives to reflect our external environment and our aspirations:

- Work with our supporters to secure the future of Havens Hospices in Southend, Castle Point and Rochford, and throughout Essex
- Remodel our services for our patients and their families in light of the impact of coronavirus on their lives and choices
- Ensure Havens Hospices staff and volunteers are supported to achieve our aims with training, development, and suitable wellbeing opportunities

Trustees have met regularly to review progress against these objectives, and we are in the process of developing dashboard information to improve the reporting of performance through our governance structures.

Services provided

Every year, hospices across the UK provide expert care and support to around 225,000 people, as well as their friends and families. It is estimated that 49,000 children in the UK are also living with conditions that are life-limiting or life-threatening.

Havens Hospices provides palliative nursing and supportive care to adults and children living with complex or incurable conditions. Our adult hospice Fair Havens covers Southend, Castle Point and Rochford, whilst Little Havens and The J's are caring for children and young adults from across Essex.

Our specialist Care Teams can support them and their families living throughout illness, death and bereavement, in the comfort of their own home and through our hospice services. We focus on their quality of life, caring for individual physical, emotional, psychological and spiritual needs.

Havens Hospices is a registered charity – not part of the NHS – and receives limited government funding.. Our hospice care can only exist because of the support and generosity of the community. Together, we are 'Making every day count'.

Havens Hospices always wants to provide the best possible experience for the individual and those important to them. The services delivered across all of the organisation's areas of care are based on:

- *Holistic assessment of need*
This assessment looks at the person "as a whole" – not only their medical condition but emotional, spiritual, psychological, family and social needs, all of which can be addressed by different teams across the organisation.
- *Personalised care*
This is achieved by listening to the patients (adults, young adults or children) and their families in order to identify what is important to them. This may include how their personal care is undertaken, what the environment of their bedroom is like, their dietary requirements and end of life wishes, and their aims and aspirations.

Havens Hospices

Report of the trustees

For the year ended 31 March 2020

- *Making every day count*
Building positive memories is at the heart of “Making every day count”. This is done in various ways depending on the wishes of the patients and their families. Family members and others important to the patient are supported and comforted throughout this process.
- *Advance care planning*
This is based on open and honest discussions with individual patients about their conditions. Advance care plans are drawn up to enable them and their families to make decisions about the choices they face, and how and where they would like their future care delivered. This is further supported by frequent education programs to ensure staff continue to be competent and confident in their role.

Achievements and performance (2019/2020)

The organisation's business plan for the year aimed to further the hospices' core charitable objectives and the trustees' adopted strategic objectives set out on page 4 of this report. The corporate business plan identified the following plans for the current year:

1. Successful completion and occupation, on time, of New Fair Havens building project. The Facilities Team ensuring a successful exit and transition to the new facility. New Fair Havens building was handed over on 14 February 2020. The new facility enables the Charity to:
 - a. Develop the managed care service and increase the capacity.
 - b. Develop Wellbeing services within the Day Hospice to include creative therapy and other exercises. The Day Hospice facility has been rebadged as The Hub. Services have been suspended for the duration of COVID-19.
 - c. Further develop transition plans for the young adults' services around respite and managed care.
2. Successful completion of our Capital Appeal. The target of £10m was reached for the cost of New Fair Havens.
3. Due to the impact of COVID-19 significant changes are being reviewed for 2020/21 as described on page 10 below.

Beneficiaries of the charity's services: outcomes and impact

Adult in-patient

- Havens Hospices continues to develop the Outcome Assessment and Complexity Collaborative Project (OACC) and training and support for the nursing staff is assisting with the necessary reporting. Next step will be to implement the Integrated Palliative Outcome Scale (IPOS) over the next 3 months. This is a measure of holistic symptom burden which will allow staff to identify areas of concern to the patient and to monitor change over time.
- The number of patients receiving in-patient care varies from year to year depending on the complexity of patient needs and length of stay. Patients with increasingly complex conditions typically require more support from a multi-disciplinary team over a longer stay than less complex or more stable service users, both in the adult and children's hospices. Increasing the number of physiotherapy sessions within the adult in-patient unit has helped support this multi-disciplined approach in assisting with addressing these complex conditions, and to support patients in having their symptoms controlled and returning home following respite stays.
- The Adult In Patient Unit was closed for the 3 months prior to the move to New Fair Havens. Care continued to be delivered in the Community.

Havens Hospices

Report of the trustees

For the year ended 31 March 2020

Hospice at Home

- Hospice at Home has continued to work collaboratively with the CCG Continuing Health Care Team over the year providing the Managed Care Service to patients and families.
- We have developed this service for Southend residents this year, supported by Southend Borough Council
- Current capacity for Managed Care is twelve patients.
- The Community teams are collaborating with Southend Borough Council to provide EOL training for home care agencies.
- We continue to provide respite care to patients and families living within the catchment area.

Quotes from patients/families:

- "Good old fashioned nursing care. My husband was treated with respect, kindness and maintained his dignity throughout. Thank you."
- "They were always very kind and very supportive; they were all a great pleasure to be in our home. We could not have asked for better and we were very, very grateful to have such lovely people."
- "The staff were polite, courteous and very sympathetic to my husband's needs and also there for me to talk to about my concerns and fears."
- "All the members of staff I dealt with were always kind polite and respectful. They were there when I needed them."

Children's in-patient and community services

- At Little Havens, the continued parent and carer forums have allowed the hospice to open up dialogue between the care staff and those using the service, so that their feedback can contribute to key decisions.
- Little Havens recognises the preparation required to bring a child to the hospice, so understands that this option does not suit everyone, and the children's hospice has seen an increase in its planned day stays and activities, and for a range of bookable activities such as use of the garden, pool or sensory room.

Quote from service user:

- "The break we have at Little Havens keeps us going until the next time, it's perfect for us. We love it there. Just having that rest for a couple of days makes you feel a thousand times better. It helps us function as a normal family and that's how I want us to stay."

Education, training and development

- Joint partnership education programs are designed and presented both in house and externally encouraging the sharing of best practice whilst enabling practitioners to be confident and competent in their delivery of safe and effective care.
- Revalidation for Registered Nurses is also supported by the Learning and Development department.
- Corporate Induction for new staff offers great insight to the work of the organisation, clinically and non-clinically.

Havens Hospices

Report of the trustees

For the year ended 31 March 2020

Financial review

The trustees are pleased to present the financial results for the year which show a net surplus of £4,212k (2019: £3,483k). This includes capital appeal donations towards the planned new adult hospice and both the realised and unrealised gains on investments.

Total gross income for the year was £14,751k, 5% above the £13,997k received in the previous year. Of this, total, income from donations and legacies, net of the associated costs of generating this income, totalled £5,984k (2019: £5,706k).

Trading activities generated £1,678k of net income, 5.9% above the £1,584k produced in 2019. This was achieved via the organisation's 23 charity shops, a weekly hospice draw and challenge style fundraising events. The increase was mainly due to the excellent performance of the charity shops.

Income derived from charitable activities was generated from statutory sources, which in 2020 totalled £1,971k (2019: £1,961k).

Total expenditure on charitable activities for the year was £6,596k (2019: £6,559k).

The charity did not generate any realised gains on its investment portfolios, these have all been liquidated (2019: £1k). There were no unrealised losses in the period (2019: £nil).

The charity's cash position reduced over the year as surplus cash was used to pay for the New Fair Havens building and equipment, with £810k of cash being held at 31 March 2020 (2019: £4,364k), in addition to £3,752k of cash investments (2019: £4,242k). The reasons for the £3,554k decrease in total cash are detailed in the Statement of Cash flows on page 20.

Principal risks and uncertainties

Although the Charity and its subsidiaries has various risks surrounding running the Charity. Going into 2020/21 the main risk for the Charity is the significant decreased levels of fundraising income during and following COVID-19.

These issues are being addressed. we are innovative in our approach to raising income and are investing into our local communities to raise awareness and support for our work; we are recruiting Young Ambassadors to represent us in their communities and are increasing the use of social media to generate more interest from potential volunteers. We are finalising our discussions with our local CCGs to ensure that our excellent medical cover continues in the future.

The trustees take seriously their responsibility to ensure that actual and potential risks to the organisation, its clients and visitors are identified, and that all necessary and appropriate steps are taken to manage them. To achieve this, the trustees have delegated to their sub-committees (known as "governance committees") and to staff at all levels of the organisation responsibility for managing risk in their respective areas. Each of the governance committees maintains a high-level risk register, which collectively provide the basis for the trustees' overarching risk register. Staff and volunteers throughout the organisation receive specific training on risk awareness, assessment and management. For managing day to day risks, the organisation also operates a computerised risk management database system.

The charity also undertakes business continuity planning as part of its high level risk management strategy.

Havens Hospices

Report of the trustees

For the year ended 31 March 2020

Investment powers and policy

The trustees' policy for management of cash is to hold funds deemed surplus to immediate operational requirements in a range of interest-bearing term deposit accounts with differing maturity dates, spread across UK banks or building societies to mitigate risk. Our £1,000k investment in Royal London Asset Management was sold in May 2020 following COVID 19 to meet short term cash requirement. This generated cash of 998,000.

At 31 March 2020, a total of £3,752k (2019: £4,242k) was held in bank or building society deposits due to mature in more than three months but less than two years, which are classified in these accounts as current asset investments, and £810k held in deposits of three months' notice or less, including instant access accounts (2019: £4,364k), which are classified in these accounts as cash in hand and at bank.

Ethical investment policy

This policy states that Trustees will not invest directly in a company if it carries out activities which are directly contrary to the charity's purposes and, therefore, against its interests and those of its beneficiaries.

Reserves policy and going concern

Reserves are required, if necessary, to bridge any gap between spending on the charity's services and the income it receives from all sources, to invest in services and future income generation, and to fund future initiatives. The trustees recognise the need to hold adequate reserves as part of their overall risk management strategy.

The charity's overall reserves increased this year by £4,212k as a result of the net surplus (2019: £3,483). Of this, £2,643k related to funds donated during the year that are restricted to *new Fair Havens* (2019: £2666k).

All designated funds are excluded from the trustees' computation of the organisation's free reserves. Free reserves at March 2020 were, therefore, £4,245k, an increase of £607k on the previous year (2019: £3,638k).

The trustees reviewed their reserves policy during the year, taking into account in particular the expected costs to construct *new Fair Havens* and the higher levels of funding which are required to operate the planned expansion in services from the new hospice.

Free reserves at 31 March 2020 represent just over three months' expenditure, and the trustees believe that this is consistent with their reserves policy, as part of the four-year plan for income and expenditure to March 2024.

COVID has had an impact on expected future income. The Charity currently reviews, periodically, income and expenditure for the current year ending March 2021 and forecast through to March 2024. Having reviewed the post COVID and strategic risks facing the charity, the budget and business plan for the periods 2020 to 2021 and the overall cash levels held, the trustees consider that sufficient reserves are held at 31 March 2020 to manage those risks successfully.

The trustees also consider that there is a reasonable expectation that the charity and its subsidiary companies have adequate resources to continue in operational existence for the foreseeable future.

Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

Energy and carbon reporting

As Havens Hospice is now a large company we are required to report on our energy and carbon usage. The relevant information is not available for these set of accounts, however the charity is working towards obtaining this information and will disclose this in next year's annual report.

Havens Hospice is committed to understanding and monitoring its carbon footprint.

Havens Hospices

Report of the trustees

For the year ended 31 March 2020

Looking forward to 2020-21

Since last year's Annual Report we have continued our program to modernise and improve the effectiveness of our governance processes. We have undertaken a detailed review against the Charity Commission's Governance Code for larger charities, identifying a number of areas of existing good practice and agreeing priorities for areas of development. We have since made positive progress against our action plan which has included updated terms of reference for our governance committees and, in July 2020 the Trustees approved a revised governance framework incorporating a Scheme of Delegation and Standing Financial Instructions. We will continue to use the Code (which is currently being reviewed) to benchmark our practice to maintain our progress from year to year.

We continue to make considerable progress, thanks to our CEO Steve Smith and Director of Care Ellie Miller, in improving our care services, rolling out training and supervision plans for our care staff and improving our clinical practices. Consistent with our strategy, we have just completed a remodelling of both care and support services,

We continue to improve our workplace culture by engaging openly and honestly with our staff on ways in which we can work better together for the benefit of our patients and their families. The trustees developed a set of Values which we will ask everyone who works and volunteers with us to subscribe to. We have expanded our membership base to include our staff as key stakeholders in our business.

The trustees are working closely with the CEO to continue the implementation of our strategic objectives. We are in the process of redeveloping our Trustee recruitment and induction processes to ensure that we have access, in future, to Trustees with the widest possible range of skills and attributes and are representative of the communities that we serve.

From the end of March 2020, both our income and the demand for our respite and well-being services was significantly affected by the Covid-19 pandemic. Our leadership team, supported by the Trustees, responded quickly and decisively to secure our future, making use of government support available, placing staff on furlough leave and responding to requests for support from the NHS. We obtained assurances from our bankers that loan funding would be available to us, should it be required. Over the Summer of 2020, we remodelled both our care and support services, combining our children's and young adult services, bringing in-house the children's home respite service that had previously been out-sourced and streamlining our adult services to protect our core reserves until income levels recover and allow us to rebuild. At the date of this report, both fundraising and trading income are recovering, albeit slowly, and we hope soon to be in a position to start rebuilding our services, collaborating with our partners in the local healthcare economy, to meet the changed needs of our patients and their families.

Structure, governance and management

Directors and trustees

Havens Hospices (HH) is registered both at Companies House (as a company limited by guarantee) and with the Charity Commission, and trades as "*Havens Hospices*", "*Fair Havens*", "*Little Havens*", "*The J's*", "*The Heath Centre*" and "*Leaves of Life*".

Havens Hospices' company directors are also the trustees of Havens Hospices, and in line with the charity's governing document, they are referred to as "the trustees" in this document. Collectively, they constitute the organisation's governing body.

The Trustees act in good faith to promote the success of the Charity to achieve its charitable objectives.

Trustees are elected by the members of the company at the Annual General Meeting (AGM).

Havens Hospices

Report of the trustees

For the year ended 31 March 2020

Appointment of trustees

Under the Articles of Association, as amended in September 2019, trustees are elected at the AGM for a term of office of four years.

The trustees have procedures, overseen by the charity's governance sub-committee, for the recruitment, induction, training and support of newly appointed trustees. The trustees determine the range and mix of skills they believe are required to fulfil their responsibilities and analyse their existing skills and experience regularly in order to identify those areas they will be looking for particularly when seeking to attract new trustees.

Induction and training of trustees

Newly appointed trustees are given a copy of the organisation's governing document and are provided with further information during the recruitment process to ensure that they are fully introduced to the organisation.

Trustees are also encouraged to visit and meet care and support staff throughout the hospices, to visit at least one of the organisation's charity shops, and to attend an external "introduction to trusteeship" training course as well as the relevant sessions of the organisation's corporate induction programme. The chairman also considers the governance committees on which newly appointed trustees might be willing and able to serve and how best to use their skills.

Within the first six months of the appointment of a new trustee, the Chairman and Chief Executive meet with them to ensure they have received a thorough grounding in the work they will be asked to carry out. Additional and ongoing training is provided when required or requested, and trustees participate in an appraisal process and regularly review their agreed key performance indicators.

Governance

The trustees usually meet bi-monthly, with additional meetings being scheduled to consider any exceptional or urgent items of business. To ensure good governance, the trustees have appointed high level sub-committees to act as governance committees. All of the committees are chaired by trustees. The Leadership Team also meets as an executive committee, which reports through the chief executive to the trustees.

The trustees exercise a system of delegated responsibility. Other than their governance role and specified reserved matters such as the setting of strategy, approval of policies and of the charity's Vision and Mission, day to day management of the organisation is delegated to the Chief Executive and Leadership Team.

Related parties and relationships with other organisations

At 31 March 2020 the charity had two wholly owned subsidiaries:

Havens Hospices Trading Company Limited – operation of charity shops for the charity

Havens Development Company Limited – design and build new Fair Havens

All trustees give their time voluntarily and receive no benefit from the charity. No trustees claimed any expenses. All trustees were required to complete and sign an annual declaration of interests and of any relevant gifts received during the year.

Remuneration policy for key management personnel

The trustees have identified the Leadership Team as the key management personnel of the charity. Leadership pay is determined by the governance committee. In line with the remuneration policy for all staff, decisions about leadership pay are informed by market testing of salaries and are subject to affordability.

Havens Hospices

Report of the trustees

For the year ended 31 March 2020

Policy for employment of disabled persons

The charity is committed to a policy of recruitment and promotion on the basis of aptitude and ability without discrimination of any kind. Particular attention is given to the training of, and provision of flexible working hours for, disabled employees to ensure that their career development is not unfairly restricted by their disability, or by perceptions of it.

Employee involvement

Employees are encouraged to engage with activities and discussions taking place around the organisation. Staff notice boards and email groups are used to keep staff aware of urgent or important issues and the charity is committed to providing information to employees on matters of concern to them and consulting with them whenever necessary. A recent innovation is the Staff Forum which enables staff to direct questions to the Leadership Team.

Fundraising

The Fundraising Regulator, established in January 2016, is the new independent regulator of charitable fundraising, established to strengthen the system of charity regulation and restore public trust in fundraising. Havens Hospices is committed to ensuring all its fundraising is clear, honest and open; fair and reasonable; accountable and responsible; respectful and abides by all the codes of fundraising practice. The fundraising team receives annual training to ensure they are aware of existing and new codes, and how to put these into practice. All fundraising activity is reviewed annually by the Fundraising Governance Committee, a sub-Committee of the Board of Trustees who consider the validity, value and ethics of all proposed fundraising methods under the CC20 guidance from the Charity Commission.

Havens Hospices is a local charity, and most voluntary income comes from local people and organisations. In 2019-2020 many thousands of people across Essex once again took part in a Havens Hospices event (including runs, swims, cycles, challenges, balls and quiz nights), or organised their own event in aid of the charity or donated via collection tins. Over 20,000 people played the Hospice's Weekly Draw or supported the charity through regular gifts or donations of goods to the charity shops. Local and London based companies supported the work of the charity through direct giving, via volunteering days at Little Havens Hospice or through partnerships with the umbrella bodies for hospice care, Together for Short Lives (TfSL) and Hospice UK. Havens Hospices also works with an external company, Lottery Fundraising Services (LTS), to help recruit members for its Weekly Draw. Training is provided to all canvassers, and all activity undertaken by Gateway is monitored through weekly reports and "mystery shopping" to ensure the effectiveness of the training and to check that solicitation statements being used are accurate.

Havens Hospices also complies with all relevant legislation including General Data Protection Regulations and Electronic Communications Privacy Regulations. All Havens Hospices' supporters receive opportunities on their communications to choose what information they may like to receive and when. Additionally, a "friendly check" is encouraged in all donor communications, in person and on the phone, to ensure supporters are happy with the way the charity is communicating with them.

The charity has implemented a "supporter promise" which states that:

- the charity will never sell donors' details to any third parties
- donors and supporters can choose the information they receive from the charity
- donors and supporters can choose how they are contacted; Havens Hospices undertakes never to contact them if they ask the charity not to

The charity has a clear complaints policy and an organisational fundraising policy to guide acceptance of donations. These are checked and monitored via the charity's governance committees.

The charity received 4 complaints between April 2019 and March 2020 relating to fundraising activity. The 4 were put through our Complaints policy and all have been resolved and are now closed.

Havens Hospices

Report of the trustees

For the year ended 31 March 2020

Statement of responsibilities of the trustees

The trustees (who are also directors of Havens Hospices for the purposes of company law) are responsible for preparing the report of the trustees 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 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*
- make judgements and estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are 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 auditors are aware of that information.

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

Auditors

Sayer Vincent LLP were re-appointed as the group and charity's auditors during the year and have expressed their willingness to continue in that capacity.

Approved by the trustees on 25 September 2020 and signed on their behalf by

Brian Terry - Chairman

Independent auditor's report

to the members of

Havens Hospices

Independent auditor's report to the members of Havens Hospices

Opinion

We have audited the financial statements of Havens Hospices (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2020 which comprise the consolidated statement of financial activities, the group and parent charitable company balance sheets, the consolidated statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- Give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 March 2020 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
- Have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011

Basis for opinion

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- The trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- The trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Independent auditor's report

to the members of

Havens Hospices

Other information

The trustees are responsible for the other information. The other information comprises the information included in the trustees' annual report, including the strategic report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- The information given in the trustees' annual report, including the strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements
- The trustees' annual report, including 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 the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report, including the strategic report.

Independent auditor's report

to the members of

Havens Hospices

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and Charities Act 2011 require us to report to you if, in our opinion:

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

Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of the financial statements

We have been appointed auditor under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts.

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

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

This report is made solely to the charitable company's members as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume

Independent auditor's report

to the members of

Havens Hospices

responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Joanna Pittman (Senior statutory auditor)
20 October 2020
for and on behalf of Sayer Vincent LLP, Statutory Auditor
Invicta House, 108-114 Golden Lane, LONDON, EC1Y 0TL

Sayer Vincent LLP is eligible to act as auditor in terms of section 1212 of the Companies Act 2006.

Havens Hospices

Consolidated statement of financial activities (incorporating an income & expenditure account)

For the year ended 31 March 2020

	Note	Restricted £000's	Unrestricted £000's	2020 Total £000's	Restricted £000's	Unrestricted £000's	2019 Total £000's
Income from:							
Donations and legacies	2	2,918	4,626	7,544	4,170	2,928	7,098
Charitable activities:							
Adult hospice	3	-	762	762	-	774	774
Adult community services		58	648	706	14	708	722
Children's hospice		396	107	503	363	102	465
		454	1,517	1,971	377	1,584	1,961
Trading activities	4	1,011	3,050	4,061	1,015	3,133	4,148
Investments	5	28	39	67	32	38	70
Other sources - Profit on Disposal of Assets		-	1,108	1,108	24	696	720
Total income		4,411	10,340	14,751	5,618	8,379	13,997
Expenditure on:							
Raising funds	12	130	1,430	1,560	439	953	1,392
Charitable activities:							
Adult hospice		148	2,541	2,689	876	1,558	2,434
Adult community services		-	1,588	1,588	-	1,750	1,750
Children's hospice		280	1,837	2,117	210	1,932	2,142
Children's community services		202	-	202	233	-	233
		630	5,966	6,596	1,319	5,240	6,559
Trading activities		1,008	1,375	2,383	1,195	1,369	2,564
Total expenditure		1,768	8,771	10,539	2,953	7,562	10,515
Net income before net gains / (losses) on investments		2,643	1,569	4,212	2,665	817	3,482
Gain/(losses) on investments		-	-	-	-	1	1
Net income for the year	6	2,643	1,569	4,212	2,665	818	3,483
Transfers between funds	28, 29	(4,883)	4,883	-	(2,113)	2,113	-
Net movement in funds		(2,240)	6,452	4,212	552	2,931	3,483
Reconciliation of funds:							
Total funds brought forward	28, 29	2,617	15,880	18,497	2,065	12,949	15,014
Total funds carried forward	28, 29	377	22,332	22,709	2,617	15,880	18,497

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Notes 28 and 29 to the financial statements.

Havens Hospices

Balance sheets

Company number: 2805007

As at 31 March 2020

	Note	The group		The charity	
		2020 £000's	2019 £000's	2020 £000's	2019 £000's
Fixed assets					
Tangible assets	13	18,087	10,242	17,957	10,042
Investments in subsidiary undertakings	14	-	-	75	75
		18,087	10,242	18,032	10,117
Current assets					
Stocks	16	59	105	-	-
Debtors	17	1,673	1,593	1,304	1,118
Current investment cash deposits	18	3,752	4,242	3,752	4,242
Cash at bank and in hand		810	4,364	806	4,224
		6,294	10,304	5,862	9,584
Liabilities					
Creditors: amounts falling due within one year	19	(1,667)	(2,035)	(1,582)	(1,717)
Net current assets		4,627	8,269	4,280	7,867
Total assets less current liabilities		22,714	18,511	22,312	17,984
Provisions for liabilities and charges	21	(5)	(14)	-	-
Net assets	22, 23, 28, & 29	22,709	18,497	22,312	17,984
Funds					
Restricted funds		377	2,617	377	2,617
Unrestricted funds:					
Designated funds:					
Fixed assets reserve		18,087	10,242	17,957	10,042
New adult hospice appeal reserve			2,000		2,000
Total designated funds		18,087	12,242	17,957	12,042
General funds		4,245	3,638	3,978	3,325
Total unrestricted funds		22,332	15,880	21,935	15,367
Total funds	28, 29	22,709	18,497	22,312	17,984

Approved by the trustees on 25 September 2020 and signed on their behalf by

Terry Harding - Treasurer

Havens Hospices

Consolidated statement of cash flows

For the year ended 31 March 2019

	2020		2019	
	£000's	£000's	£000's	£000's
Cash flows from operating activities:				
Net cash provided by operating activities		2,942		3,534
Cash flows from investing activities:				
Dividends, interest and rents from investments	78		70	
Proceeds from sale of fixed assets	1,684		715	
Purchase of fixed assets	(8,748)		(2,168)	
Proceeds from withdrawal of cash investment deposits	490		-	
Purchase of cash investment deposits	-		(2,227)	
Proceeds from sale of non-cash investments	-		810	
Net cash provided by investing activities		(6,496)		(2,800)
Change in cash and cash equivalents in the year		(3,554)		734
Cash and cash equivalents at the beginning of the year		4,364		3,630
Cash and cash equivalents at the end of the year		810		4,364
Reconciliation of net income to net cash flow from operating activities:				
			2020	2019
			£000's	£000's
Net income reported for the year			4,211	3,483
Depreciation charges			207	213
(Gains) / losses on listed and cash investments			-	(1)
Dividends, interest and rents from investments			(67)	(70)
Investment management fees			-	8
Profit on sale of fixed assets			(1,016)	(626)
Decrease in stocks			45	19
(Increase) in debtors			(80)	(526)
Increase in creditors			(367)	1,034
Decrease in provisions			9	-
Net cash provided by / (used in) operating activities			2,942	3,534
Analysis of cash and cash equivalents:				
		At 1	Net	At 31
		April	cash	March
		2019	flows	2020
		£000's	£000's	£000's
Cash in hand and at bank (total cash and cash equivalents)		4,364	(3,554)	810

Havens Hospices

Notes to the financial statements

For the year ended 31 March 2020

1. Accounting policies

(a) Statutory information

Havens Hospices is a company limited by guarantee and is incorporated in the UK. The registered office address is Stuart House, 226 Priory Crescent, Southend on Sea, Essex, SS2 6PR.

(b) Basis of preparation and consolidation

The financial statements have been prepared in accordance with *Accounting and Reporting by Charities: Statement of Recommended Practice*, which is applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applying in the UK and Republic of Ireland (*FRS 102 - the Charities SORP FRS 102*), with the Financial Reporting Standard applicable in the UK and Republic of Ireland (*FRS 102*), and with the Companies Act 2006.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or Note.

These financial statements consolidate the results of the charitable company and its wholly owned active subsidiaries held at the balance sheet date of 31 March 2020:

- Havens Hospice Trading Company Limited (registered company no. 2582455)
- Havens Development Company Limited (registered company no. 6245406)

The J's Hospice (registered company no. 04825988) was dormant in the year and has not been consolidated.

Transactions and balances between the charitable company and its subsidiaries have been eliminated from the consolidated financial statements. Balances between the companies are disclosed in the Notes to the charitable company's balance sheet. Intragroup transactions and balances are disclosed in Note 10.

A separate Statement of Financial Activities for the charity itself is not presented because the charitable company has taken advantage of exemptions afforded by section 408 of the Companies Act 2006.

(c) Public benefit entity

The charitable company meets the definitions of a public benefit entity under *FRS 102*.

(d) Going concern

The trustees consider that there are no material uncertainties about the charitable company's ability to continue as a going concern. In reaching this opinion, the trustees review the charity's reserves policy regularly and satisfy themselves that the level of reserves is sufficient to enable the organisation to continue to operate and to achieve its goals. Following COVID-19 we have reforecast our income and cashflow and are comfortable we can still continue as a going concern.

The trustees also do not consider that there are any areas of uncertainty affecting accounting estimations at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period. Key judgments that the charitable company has made which have a significant effect on the accounts include determining the value of legacy income to accrue at the end of the financial year, in accordance with the charity's policy for income recognition.

Havens Hospices

Notes to the financial statements

For the year ended 31 March 2020

1. Accounting policies (continued)

(e) Incoming resources

Income is included in the SOFA when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received, the income is not deferred and the amount can be measured reliably. Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met. Legacy income is recognised at the earlier of receipt or when the charity has been notified of its entitlement, probate has been granted, and estate accounts have been provided enabling the charity to measure the value of its entitlement reliably. Where the criteria for income recognition have not been met for legacies which have been notified to the charity, the income is treated as a contingent asset and the total disclosed in the Notes to these accounts (see Note 2). Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the group has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred. On March 11 2020 the Havens Hospice Trading became eligible for £460,000 of retail hospitality & leisure grants in respect of shops with a rateable value up to £51,000. The income was received in 2020/21 and relates to the period from 1 April onwards. The trustees have opted to recognise the grants in the financial year to 31 March 2021 based on an entitlement date of 1 April 2020 as per the guidance issued by the Department for Business, Energy and Industrial Strategy and as that is the period to which the income relates.

(f) Donations of goods and services

Donated goods are recognised as income when the economic benefit from their use can be measured reliably. Items donated for sale via charity shops, or for use as raffle prizes or by auction at fundraising events, are recognised as income when sold or when income is generated from them rather than on receipt. The principal 'donated goods' recognised in these financial statements is the provision of free drugs and medical supplies by local pharmacies or NHS hospitals. The value included in the accounts is the amount the charity would have paid to obtain supplies of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt. The charity receives no donated services other than time generously given by its volunteers, for which no value is included in the financial statements in accordance with the *Charities SORP*.

(g) Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably.

(h) Expenditure and irrecoverable VAT

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

- Costs of raising funds relate to the expenditure incurred in inducing third parties to make voluntary contributions to the charity, as well as the cost of activities whose primary purpose is fundraising.
- Expenditure on charitable activities includes all costs of delivering hospice care services, undertaken to further the purposes of the charity, together with the associated direct support costs.
- Costs of trading activities relate to expenditure on raising funds by means of charity shops, weekly draws, scratchcards and challenge-style fundraising events.

Irrecoverable VAT is charged as a cost against the activities for which the underlying expenditure was incurred. Since 1 April 2015, irrecoverable VAT has been minimised as a result of the introduction of Section 33 VAT relief for palliative care charities, under which the charity is able to recover VAT relating to its core care services and on some fundraising costs, in addition to a proportion of the VAT incurred on corporate overheads.

Havens Hospices

Notes to the financial statements

For the year ended 31 March 2020

1. Accounting policies (continued)

(i) Pensions

A number of the group's employees contribute to either defined contribution or Group Personal Pension Schemes in which the employers participate, or to the NHS pension scheme. Further details are set out in Note 9. The group's contributions to these schemes are charged to the Statement of Financial Activities when they fall due.

(j) Allocation of support and governance costs

Resources expended are allocated to the appropriate activities under the headings identified in (h) above, with spend on charitable activities being sub-divided between the four main areas of the charitable company's care services as defined on page 7. The cost of overall direction and administration of the charity, comprising the salary and overhead costs of the executives, finance and human resources functions, is apportioned to the charitable activities, activities for raising funds and trading activities as set out in the analysis of expenditure note (Note 12). The apportionment is based on an estimation of the relative use of these central overhead resources by the respective activities. Costs incurred in the governance of the charity and its trading company, which result primarily from constitutional and statutory requirements, are apportioned to key activities on a similar basis.

(k) Operating leases

Annual rentals, net of all aggregated lease inducements where applicable, are charged to the profit and loss account on a straight-line basis over the whole term of the lease.

(l) Tangible fixed assets and depreciation

Items of equipment or other assets of an enduring nature are capitalised where the purchase price, individually or as part of a single project, exceeds £5,000.

Depreciation charges commence when an asset is brought into use, and are spread evenly at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. Depreciation is applied to all fixed assets except freehold land, and is calculated at the following rates:

Freehold buildings	- over 25 to 100 years as appropriate
Fixtures and fittings, furniture, equipment and shop-fit costs	- over 7 years or over useful life if shorter
Motor vehicles	- over 4 years
Computer hardware and software	- over 3 years or over useful life if longer

Assets are reviewed for impairment if circumstances indicate that their carrying value may exceed their net realisable value and value in use.

(m) Investments

Investments in subsidiary undertakings are stated at cost in the charity's accounts, and are eliminated as a consolidation adjustment in the group financial statements.

(n) Cash investments, and cash at bank and in hand

Cash deposits are classified as fixed asset investments, whereas deposits held for more than three months but less than one year, and which are not part of the day to day cash balances of the charitable company or its subsidiaries, are classified as current asset investments. Cash at bank and in hand includes cash in current accounts or with deposits maturing in three months or less from the date of acquisition. Cash balances do not include any funds held on behalf of service users.

Havens Hospices

Notes to the financial statements

For the year ended 31 March 2020

1. Accounting policies (continued)

(o) Stocks

Stocks of donated items for resale in the charity shops are not valued, as the trustees consider that it is impractical to apply a value to these items and that the costs of attempting to do so would outweigh any benefits. Consequently, the stock value carried in the group's balance sheet relates entirely to bought-in goods not yet sold by Havens Hospices Trading Company. These stocks are valued at the lower of cost and net realisable value, with cost value based on purchase prices - including any invoiced delivery or packaging cost - on a first in, first out basis. Net realisable value is the price at which stocks can be sold in the normal course of business after allowing for costs of sale. Provision is made where necessary for obsolete, slow moving or defective stocks.

(p) Creditors and provisions

Creditors and provisions are recognised where the charity or its subsidiaries have a present obligation resulting from a past event that will probably result in the transfer of funds to a third party, and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due. The charity and its subsidiary undertakings only have financial assets and liabilities of a kind that qualify as basic financial instruments.

(q) Funds

Restricted funds are those where the purpose for use has been restricted by the givers. Expenditure which meets the relevant criteria is charged to the appropriate restricted funds.

Designated funds are unrestricted funds set aside by the trustees for specific purposes.

Unrestricted funds are monies which can be used for any of the charitable company's operations at the trustees' discretion.

Transfers between funds are carried out in order to:

- i) designate funds reflect the carrying value of fixed assets.
- ii) to release designate funds for other specified purposes, New Adult Hospice. This project is now complete.
- iii) recognise that restrictions placed on capital grants have been satisfied by their expenditure, or
- iv) cover any deficiency in restricted funds.

(r) Taxation

The charitable company is exempt from corporation tax as all of its income is charitable and is applied for charitable purposes. Available taxable profits arising in subsidiary companies which are not charities sharing Havens Hospices' objects are donated to the parent charity under gift aid.

Havens Hospices

Notes to the financial statements

For the year ended 31 March 2020

2. Income from donations and legacies	Capital restricted £000's	Other restricted £000's	Unrestricted £000's	2020 Total £000's
Donations and voluntary income	2,591	327	2,150	5,068
Legacies	-	-	2,476	2,476
	2,591	327	4,626	7,544
	Capital restricted £000's	Other restricted £000's	Unrestricted £000's	2019 Total £000's
Donations and voluntary income	2,719	230	2,477	5,426
Legacies	-	1,221	451	1,672
	2,719	1,451	2,928	7,098

Legacy income includes accruals for bequests where the charity has been notified of its entitlement, probate has been granted, and estate accounts or other documents evidencing the estate value have been provided to enable the charity to measure the value of its entitlement reliably. The charity has reviewed the legacy entitlements notified to it and has accrued £815,000 (2019: £586,000) in line with this criteria. A total of £609,000 (2019: £138,000) of legacy pipeline which does not meet the new estimation criteria is, however, treated by the charity as a contingent asset at March 2020.

3. Income from charitable activities	Restricted £000's	Unrestricted £000's	2020 Total £000's
CCGs	-	1,410	1,410
NHS England revenue funding	454	108	562
Total income from charitable activities	454	1,518	1,972
	Restricted £000's	Unrestricted £000's	2019 Total £000's
CCGs	14	1,584	1,598
NHS England revenue funding	363	-	363
Total income from charitable activities	377	1,584	1,961
	Restricted £000's	Unrestricted £000's	2020 Total £000's
4. Income from trading activities	Restricted £000's	Unrestricted £000's	2020 Total £000's
Charity shops	1,011	1,672	2,683
Weekly draw subscriptions	-	1,091	1,091
Challenge fundraising events	-	287	287
	1,011	3,050	4,061

Havens Hospices

Notes to the financial statements

For the year ended 31 March 2020

4. Income from trading activities (cont'd)

	Restricted £000's	Unrestricted £000's	2019 Total £000's
Charity shops	1,015	1,697	2,712
Weekly draw subscriptions	-	1,086	1,086
Challenge fundraising events	-	350	350
Charges for use of charity brand / logo	-	-	-
	1,015	3,133	4,148

5. Income from investments

	Capital restricted £000's	Other restricted £000's	Unrestricted £000's	2020 Total £000's
Dividends and portfolio income	19	-	-	19
Interest on cash investments	-	-	39	39
Rental income	-	9	-	9
	19	9	39	67

	Capital restricted £000's	Other restricted £000's	Unrestricted £000's	2019 Total £000's
Dividends and portfolio income	23	-	15	38
Interest on cash investments	-	-	6	6
Interest on cash or equivalents	-	-	17	17
Rental income	-	9	-	9
	23	9	38	70

6. Net income for the year

	2020 £000's	2019 £000's
This is stated after charging/(crediting)		
Depreciation	207	213
Auditors' remuneration: Audit	21	21
Tax	1	1
Operating lease rentals:	505	510
Profit on disposal of fixed assets	(1,017)	(626)

Havens Hospices

Notes to the financial statements

For the year ended 31 March 2020

7. Analysis of staff costs, trustee remuneration & expenses, and cost of key management personnel

Staff costs incurred during the year were as follows:	2020	2019
	£000's	£000's
Salaries and wages	5,713	5,776
National insurance	464	468
Employer's contributions to pension schemes (see Note 9)	524	524
Redundancy and termination costs	-	53
Payroll related costs	6,701	6,821
Other staff costs	291	167
	6,992	6,988

No trustees received pay or other benefits from the charity in the year (2019: £nil), and no trustees received payment for professional or other services supplied to the charity (2019: £nil). No trustees claimed expenses for attending to charity business during the year, the total value of which was £Nil (2019: £382). The value of expenses waived by trustees was not material in either year. The charity paid £708 of premiums in the year for trustee indemnity insurance (2019: £708).

The following number of employees received total remuneration during the year, excluding employer's pension and National Insurance contributions, in the stated value bands:

	2020	2019
	No.	No.
£60,001 - £69,999	2	4
£80,000 - £89,999	1	1

The total employee benefits, including National Insurance and pension contributions, of the key management personnel in the 2020 accounting year were £375,744 (2019: £487,260).

8. Staff numbers

The average number of employees was:

	Headcount		Full time equivalent	
	2020	2019	2020	2019
	No.	No.	No.	No.
Adult hospice	75	70	64	58
Adult community services	49	35	39	27
Children's hospice	58	48	45	37
Activities for raising income	37	40	29	33
Trading activities	58	57	46	46
Support and governance activities	21	19	20	18
	298	269	243	219

No staff are employed in children's community hospice services, which are commissioned from a community interest company trading as *Provide*.

Havens Hospices

Notes to the financial statements

For the year ended 31 March 2020

9. Pensions and benefits

Group companies contribute to a group personal pension scheme operated by Scottish Widows the assets of which are held separately from those of the group in independently administered funds. Employee members of the Scottish Widows scheme have an option to commit to taking a salary sacrifice that is equivalent to the amount of their chosen personal contribution.

The NHS Pension Scheme employer contribution rate increased on 1 April 2019 from 14.3% to 20.6%, plus an employer's levy of 0.08%. The Department of Health and Social Care's consultation response announcing the rise, published in March 2019, confirmed the available funding to meet the associated costs and that a transitional arrangement would operate in 2019/20 where employers in the Scheme would continue to pay 14.3% plus employers levy of 0.08%. This has been confirmed to continue into 2020/21.

Employees participating in the NHS scheme contribute on a tiered scale from 5.6 % to 14.5% of their pensionable pay. The charity has no further liability arising from its participation in this scheme, over and above its employer contributions. From 1 April 2017, a levy of 0.08% towards scheme administration costs has been added to employer contributions, increasing the total employer rate to 14.38% of pensionable pay for active scheme members.

The combined contributions payable by the group into all pension schemes for the year amounted to £524,000 (2019: £524,000). Contributions of £63,000 (2019: £57,000) were outstanding at the year end and are included in creditors.

In addition, the group contributes to an employee life assurance scheme, for which the contributions payable were £14,863 (2019: £20,000).

10. Related party transactions

Other than the related party transactions between group companies noted below and the transactions disclosed in Note 7 (payments to employee pension schemes and employment benefits paid to key management personnel and to their related parties), there were no other related party transactions requiring disclosure (2019: £nil).

All of the disclosed transactions with related parties were made within the normal course of business, including any restrictions applied to donations which were restricted to purposes which were already part of the charity's approved business plan.

During the year, donations were received from trustees totalling £2,596 (2019: 16,300) and from key management personnel of £495 (2019: £1,000).

The charity also paid its subsidiary company Havens Development (HDCL) £7,870,378 during the year (2019: £2,113,000) for the value of work undertaken by HDCL in the design and build of the planned new adult hospice, and the charity charged HDCL £nil (2019: £19,000) in management fees. HDCL donated its taxable profit of £nil (2019: £nil) to Havens Hospices. The balance outstanding between these two companies at 31 March 2020 was £449,423 (2019: £891,000) due from the parent charity or from group companies to HDCL.

11. Taxation

The charitable company is exempt from corporation tax as all of its income is charitable and is applied for charitable purposes.

Available taxable profits in the subsidiaries are donated to the parent charity under gift aid. As a result of this, or due to taxable losses incurred, there were no profits chargeable to corporation tax in any subsidiary company in the 2020 or 2019 tax years.

Havens Hospices

Notes to the financial statements

For the year ended 31 March 2020

12. Analysis of expenditure

	Direct costs £000's	Support costs £000's	2020 Total £000's	Direct costs £000's	Support costs £000's	2019 Total £000's
Costs of raising funds						
Fundraising marketing	1,417	143	1,560	1,226	166	1,392
Trading activities	2,263	120	2,383	2,468	96	2,564
	3,680	263	3,943	3,694	262	3,956
Charitable activities:						
Adult hospice	2,386	304	2,690	2,100	334	2,434
Adult community services	1,441	147	1,588	1,535	215	1,750
Children's hospice	1,900	216	2,116	1,881	261	2,142
Children's community services	202	-	202	202	31	233
	5,929	667	6,596	5,718	841	6,559
Total expenditure	9,609	930	10,539	9,412	1,103	10,515

Included in the costs above are governance costs of £62,000 (2019: £83,000).

Analysis of support costs	2020 Total £000's	2019 Total £000's
Executive	329	548
Finance	255	215
Human Resources and volunteer services	346	340
	930	1,103

Of total expenditure, £8,771,000 was unrestricted (2019: £8,689,000), and £1,768,000 restricted (2019: £1,851,000).

Support costs cover central service functions which have been allocated to the main activities of the charity on a basis deemed consistent with the use of those resources. In accordance with the requirements of *Charities SORP FRS 102*, governance costs are also apportioned across the organisation's principal activities on a similar basis. The £7,000 of governance costs attributed to the trading subsidiary, Havens Hospices Trading Ltd, are its own (2019: £6,000).

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For the year ended 31 March 2020

13. Tangible fixed assets

For the group:

	Freehold land & property £000's	Assets under construction £000's	Furnishings, fittings, computers & equipment £000's	Motor vehicles £000's	Total £000's
Cost					
At 1 April 2019	6,350	4,542	1,384	81	12,357
Additions in year	-	7,870	879	-	8,749
Transfer	12,412	(12,412)	-	-	-
Disposals	(1,135)	-	(441)	(15)	(1,591)
At 31 March 2020	17,627	-	1,822	66	19,515
Depreciation					
At 1 April 2019	1,116	-	918	81	2,115
Charge for the year	42	-	163	-	205
Disposals	(460)	-	(417)	(15)	(892)
At 31 March 2020	698	-	664	66	1,428
Net Book Value					
At 31 March 2020	16,929	-	1,158	-	18,087
At 31 March 2019	5,234	4,542	466	-	10,242

For the charity:

	Freehold land & property £000's	Assets under construction £000's	Furnishings, fittings, computers & equipment £000's	Motor vehicles £000's	Total £000's
Cost					
At 1 April 2019	6,350	4,594	853	65	11,862
Additions in year	-	7,870	879	-	8,749
Transfer	12,412	(12,412)	-	-	-
Disposals	(1,135)	-	(429)	(15)	(1,579)
At 31 March 2020	17,627	52	1,303	50	19,032
Depreciation					
At 1 April 2019	1,116	-	639	65	1,820
Charge for the year	42	-	93	-	135
Disposals	(460)	-	(405)	(15)	(880)
At 31 March 2020	698	-	327	50	1,075
Net Book Value					
At 31 March 2020	16,929	52	976	-	17,957
At 31 March 2019	5,234	4,594	214	-	10,042

All of the above assets are used for charitable purposes, or for trading purposes the objective of which is to generate profits to fund the core work of the charity.

Assets Under Construction - work on New Fair Havens was completed and handed over in February 2020.

Havens Hospices

Notes to the financial statements

For the year ended 31 March 2020

13. Tangible fixed assets (continued)

Freehold property - the property 124/126 Chalkwell Avenue was disposed of during the year. All refurbishment costs or new building purchases since that date are included at cost. Freehold land and property includes an amount of £2,046,000 (2019: £2,046,000) relating to freehold land, which is not depreciated.

"Assets under construction" reflects professional design, planning and construction fees in connection with the project to build the new adult hospice. This project is now completed and the building occupied from 14 February 2020. The group balance for assets under construction is less than that for the charity due to intragroup profits relating to work on the new hospice by Havens Development Company. In its own accounts, the charity has capitalised the full invoiced value of work in progress, but the element of intragroup profit of £nil has been removed in the group accounts (2019: £Nil).

14.

	The group		The charity	
	2020 £000's	2019 £000's	2020 £000's	2019 £000's
Cost of investment in subsidiary undertakings incorporated in the UK	-	-	75	75

The investments in subsidiary companies represent 100% of the issued share capital of:

Havens Hospice Trading Company Limited: £75,100

Havens Development Company Limited: £1

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For the year ended 31 March 2020

15. Subsidiary undertakings' summarised results

At the balance sheet date, the charity had two wholly owned and active subsidiary companies registered in England, Havens Hospices Trading Company (HHT) and Havens Development Company (HDCL). HHT's principal purpose is to generate income for the benefit of the hospices from the sale primarily of donated goods. Its financial results are consolidated line by line in the Statement of Financial Activities. HDCL was established to undertake the project of building the *new Fair Havens* adult hospice facility. All work incurred by HDCL in the planning, design and work-in-progress for constructing the new hospice is invoiced to the charity in full periodically, and capitalised in the charity's accounts. Available taxable profits from either subsidiary are distributed to the parent charity (see Note 11), and transactions between the parties are disclosed in Note 10.

Summary results for the group:

	HHT £000's	HHT £000's	HDCL £000's	HDCL £000's
	2020	2019	2020	2019
Gross turnover	2,909	2,955	7,870	2,113
Gift aided sales transferred to charity	(709)	(638)	-	-
Intercompany management charges	71	64		
WIP transferred to charity	-	-	(7,870)	(2,113)
Net turnover	2,271	2,381	-	-
Cost of sales	(58)	(90)	-	-
Gross profit	2,213	2,291	-	-
Other operating income	24	18	-	-
Administrative expenses	(2,049)	(2,079)	-	-
Profit for the financial year	188	230	-	-
Distribution of profits	(304)	(157)	-	-
Retained profit for the financial year	(116)	73	-	-
The aggregate of the assets, liabilities and funds was:				
Assets	583	702	701	1,223
Liabilities	(59)	(61)	(701)	(1,223)
Funds	524	641	-	-

16. Stocks

	The group		The charity	
	2020	2019	2020	2019
	£000's	£000's	£000's	£000's
Bought in goods for resale by trading company	59	105	-	-

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For the year ended 31 March 2020

17. Debtors

	The group		The charity	
	2020	2019	2020	2019
	£000's	£000's	£000's	£000's
Legacies receivable	815	586	816	586
Prepaid expenses	307	555	213	412
Other debtors	36	18	12	12
VAT recoverable	407	402	155	76
Trade debtors	108	32	108	32
	1,673	1,593	1,304	1,118

18. Current investment cash deposits comprise:

	The group		The charity	
	2020	2019	2020	2019
	£000's	£000's	£000's	£000's
Bank and building society deposits	2,752	3,242	2,752	3,242
Royal London Asset Management Cash Plus Fund	1,000	1,000	1,000	1,000
	3,752	4,242	3,752	4,242

Short term deposits and investments are held to provide a return on short term cash. These are held in pooled funds or deposits of varying maturity dates of more than 3 but less than 24 months.

19. Creditors: amounts due within one year

	The group		The charity	
	2020	2019	2020	2019
	£000's	£000's	£000's	£000's
Deferred income (see Note 21)	287	311	287	311
Accrued expenses	503	94	211	50
Taxation and social security creditors	128	124	128	124
Trade creditors	687	1,449	226	229
Pension creditors	62	57	63	57
Amounts due to subsidiaries	-	-	667	946
	1,667	2,035	1,582	1,717

20. Deferred income

	The group		The charity	
	2020	2019	2020	2019
	£000's	£000's	£000's	£000's
Balance at the beginning of the year	311	248	311	248
Amount released to income in the year	(285)	(248)	(285)	(248)
Amount deferred in the year	261	311	261	311
Balance at the end of the year	287	311	287	311

Deferred income comprises monies raised in respect of future fundraising activities which take place or fall due in the following accounting year. The income primarily relates to events such as the London Marathon and receipts in advance for future weekly draws (hospice lottery).

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For the year ended 31 March 2020

21. Provisions for liabilities and charges

	The group		The charity	
	2020 £000's	2019 £000's	2020 £000's	2019 £000's
Balance at the beginning of the year	14	14	-	-
Released, utilised or transferred during the year	(9)	-	-	-
Provisions created during the year	-	-	-	-
Balance at the end of the year	5	14	-	-

This provision has been maintained to cover potential dilapidations on the shops run by the trading company.

22. Analysis of group net assets between funds: as at 31 March 2020

	Restricted funds £000's	Designated funds £000's	General funds £000's	Total funds £000's
Tangible fixed assets	-	18,087		18,087
Cash investments			3,752	3,752
Cash in hand and at bank	377		433	810
Other net current assets/(liabilities)		-	60	60
Net assets at end of year	377	18,087	4,245	22,709

23. Analysis of group net assets between funds comparisons: as at 31 March 2019

	Restricted funds £000's	Designated funds £000's	General funds £000's	Total funds £000's
Tangible fixed assets	-	10,242	-	10,242
Cash investments	2,376	589	1,277	4,242
Cash in hand and at bank	241	1,411	2,712	4,364
Other net current assets		-	(351)	(351)
Net assets at end of year	2,617	12,242	3,638	18,497

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For the year ended 31 March 2020

24. Operating lease commitments

The **group's** total future minimum lease payments under non-cancellable operating leases are as follows:

	Land and property		Motor vehicles, printers and photocopiers	
	2020 £000's	2019 £000's	2020 £000's	2019 £000's
Total minimum leases payments falling due:				
In the year following the balance sheet date	415	420	16	15
In years two to five	643	646	16	24
From year five until end of commitment	-	-	-	-
	<u>1,058</u>	<u>1,066</u>	<u>32</u>	<u>39</u>

The **charity's** total future minimum lease payments under non-cancellable operating leases are as follows:

	Land and property		Motor vehicles, printers and photocopiers	
	2020 £000's	2019 £000's	2020 £000's	2019 £000's
Total minimum leases payments falling due:				
In the year following the balance sheet date	415	420	12	-
In years two to five	643	646	16	-
From year five until end of commitment	-	-	-	-
	<u>1,058</u>	<u>1,066</u>	<u>28</u>	<u>-</u>

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Notes to the financial statements

For the year ended 31 March 2020

25. Operating lease commitments (continued)

The commitments relating to land and property result from rental of shop premises which are subject to non-cancellable operating leases held in the name of the charity. These are licensed by the charity to Havens Hospices Trading Ltd, which occupies the premises for the purpose of operating charity shops.

The minimum lease payments computed for the purpose of this Note have been calculated to the earliest of the lease expiry date or next tenant's break clause date. *FRS 102* requires that operating lease incentives such as rent free periods or contributions to fitting out costs should be spread over the full lease period.

The charity and its subsidiary company Havens Hospices Trading Ltd have taken advantage of the exemption granted by *FRS 102* for existing leases at the transition date (ie: the transition from previous Generally Accepted Accounting Principles - UK GAAP) of 1 April 2014, to continue to recognise lease incentives on the former basis. The requirements of *FRS 102* in respect of operating lease incentives are being followed for all such leases acquired after 31 March 2015.

26. Capital commitments

In November 2018 a contract was signed with a Building Contractor for the construction of a new hospice. At 31 March 2020 there is a commitment to pay £Nil in construction costs (2019: £7.4m).

27. Purpose of restricted and designated funds

a) Purpose of restricted funds:

New Fair Havens (NFH) - capital appeal

The capital appeal fund represents voluntary income received towards the costs of the project to build a new adult hospice to replace the existing Fair Havens building.

Some gifts and grants to the capital appeal can be spent on any aspects of the design, development and construction of the new building, whilst others are restricted to more specific aspects of the project such as for a gymnasium and related equipment.

Fair Havens - other / Little Havens - other

These represent funds restricted to use within the existing adult or children's hospice respectively. As the day to day operating costs of the hospices generally exceed the value of these restricted gifts, the balance at each year end normally represents just those funds which are restricted to specific purposes within the adult or children's hospice which have not been spent at 31 March 2020.

Little Havens - Martha McGilda trust

This gift from a trust was initially restricted to maritime-related activities, but this was subsequently widened, with the consent of the donor, to apply to all children's activities.

Little Havens - NHS England revenue grant

This represents funding received annually from NHS England's transitional grant which replaced the former Section 64 grant for children's hospices, pending finalisation and implementation of a proposed new palliative care currency and associated tariff. The income is restricted and can not be used to finance fundraising activities. The grant is spent out each year on the specified purpose of providing hospice services to children in the Essex community, and the level of grant has been agreed in advance by NHS England to remain at the present value until 31 March 2020.

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For the year ended 31 March 2020

b) Purpose of designated funds:

Fixed assets reserve

Designated funds consist primarily of the fixed assets reserve, which is updated at each year end to reflect movements in asset values by transferring the appropriate increases or reductions from general reserves or, where appropriate, from the appropriate restricted funds.

This fund includes £ 12,412,000 for the construction of the new adult hospice (2019 £4,542,000). This project is now complete.

28. Movement in funds: year ended 31 March 2020

	At the start of the year £000's	Incoming resources and gains £000's	Outgoing resources and losses £000's	Transfers £000's	At the end of the year £000's
Restricted funds:					
<i>Fair Havens adult hospice</i>					
Capital appeal - new Fair Havens	2,376	2,610	(103)	(4,883)	-
Other	146	284	(148)	-	282
	<u>2,522</u>	<u>2,894</u>	<u>(251)</u>	<u>(4,883)</u>	<u>282</u>
<i>Little Havens children's hospice</i>					
Martha McGilda trust	19	-	(13)	-	6
NHS England revenue grant	-	396	(396)	-	-
Other	71	1,121	(1,108)	-	84
	<u>90</u>	<u>1,517</u>	<u>(1,517)</u>	<u>-</u>	<u>90</u>
<i>Other restricted funds</i>	5	-	-	-	5
Total restricted funds	<u>2,617</u>	<u>4,411</u>	<u>(1,768)</u>	<u>(4,883)</u>	<u>377</u>
Unrestricted funds:					
Designated funds:					
Fixed assets reserve	10,242	-	-	7,845	18,087
New adult hospice appeal reserve	2,000	-	-	(2,000)	-
Total designated funds	<u>12,242</u>	<u>-</u>	<u>-</u>	<u>5,845</u>	<u>18,087</u>
General funds	3,638	10,340	(8,771)	(962)	4,245
Total unrestricted funds	<u>3,638</u>	<u>10,340</u>	<u>(8,771)</u>	<u>4,883</u>	<u>22,332</u>
Total funds	<u>18,497</u>	<u>14,751</u>	<u>(10,539)</u>	<u>-</u>	<u>22,709</u>

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For the year ended 31 March 2020

29. Movement in funds comparisons: year ended 31 March 2019

	At the start of the year £000's	Incoming resources and gains £000's	Outgoing resources £000's	Transfers £000's	At the end of the year £000's
Restricted funds:					
<i>Fair Havens adult hospice</i>					
Capital appeal - new Fair Havens	1,823	2,762	(96)	(2,113)	2,376
NHS Hospice Neighbours Grant	-	-	-	-	-
Other	146	682	(682)	-	146
	<u>1,969</u>	<u>3,444</u>	<u>(778)</u>	<u>(2,113)</u>	<u>2,522</u>
<i>Little Havens children's hospice</i>					
Martha McGilda trust	29	-	(10)	-	19
NHS England revenue grant	-	363	(363)	-	-
Other	62	1,811	(1,802)	-	71
	<u>91</u>	<u>2,174</u>	<u>(2,175)</u>	<u>-</u>	<u>90</u>
<i>Restricted funds for either hospice</i>					
	5	-	-	-	5
	<u>5</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5</u>
Total restricted funds	<u>2,065</u>	<u>5,618</u>	<u>(2,953)</u>	<u>(2,113)</u>	<u>2,617</u>
Unrestricted funds:					
Designated funds:					
Fixed assets reserve	8,376	-	-	1,866	10,242
New adult hospice appeal reserve	2,000	-	-	-	2,000
Total designated funds	<u>10,376</u>	<u>-</u>	<u>-</u>	<u>1,866</u>	<u>12,242</u>
General funds	2,573	8,380	(7,562)	247	3,638
Total unrestricted funds	<u>2,573</u>	<u>8,380</u>	<u>(7,562)</u>	<u>247</u>	<u>3,638</u>
Total funds	<u>15,014</u>	<u>13,998</u>	<u>(10,515)</u>	<u>-</u>	<u>18,497</u>

30. Legal status of the charity

The charity is a company limited by guarantee and has no share capital.

The 116 members of the charitable company at 31 March 2020 (2019: 47) include the trustees, as named on page 2.

The liability of each member in the event of winding up is limited to £1.