



St Elizabeth Hospice (Suffolk)

(A company limited by guarantee and
not having share capital)

Annual Report and Financial Statements

Year ended
31 March 2020

Charity No: 289154
Company No: 1794927

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St Elizabeth Hospice (Suffolk)

Reference and administrative details

Hon President

Mr NA Ridley OBE JP DL (deceased 31 March 2020)

Hon Vice President

Mr TJ Mott FRCS FRCR

Board of Trustees

Mr I J Turner ^{1,2,3,5}	- Chairman
Mr W D Barnes ^{1,2,5}	- Treasurer
Ms G Drummond ⁴	
Dr N Gibbons ⁴	
Mrs A Hogarth ²	
Dr A D J Nicholl ^{1,2,4}	
Mr M W Nicholls ^{1,3}	
Mr T D Hunt ³	
Mrs A Parkinson ^{4,5}	
Mr N Hatton ³	- Appointed 25 July 2019
Mr G Mackenzie ^{2,4}	- Appointed 25 July 2019
Mr N Hulme ^{2,4}	- Appointed 25 July 2019
Mr E Sanyari	- Shadow Trustee (to 23 July 2019)
Miss H Davis	- Shadow Trustee Appointed 1 January 2020
Miss L Watts	- Shadow Trustee Appointed 1 January 2020
Member of:	
1 - Finance Committee	
2 - Governance Committee	
3 - Income Generation Committee	
4 - Patient and Family Services Committee	
5 - Remuneration Committee	

Registered office

565 Foxhall Road, Ipswich, IP3 8LX

Registered Charity number

289154

Company number

1794927

Auditor

RSM UK Audit LLP, Abbotsgate House, Hollow Road, Bury St Edmunds, Suffolk, IP32 7FA

Solicitors

Prettys, 25 Elm Street, Ipswich, Suffolk, IP1 2AD

Bankers

Royal Bank of Scotland PLC, Princes Street, Ipswich, Suffolk, IP1 1QT

Investment advisers

Sarasin & Partners, Juxon House, 100 St Paul's Churchyard, London, EC4M 8BU

Principal officers

Mr M Millar ^{1,2,3,4,5}	- Chief Executive (to 5 January 2020)
Mr M Watkins ^{1,2,3,4,5}	- Chief Executive (from 6 January 2020)
Dr K Bengtson ⁴	- Medical Director
Mrs V K Jolly ⁴	- Director of Patient Services
Ms R Backshall ³	- Director of Income Generation & Marketing (to 30 June 2019)
Mrs H Bloom ³	- Director of Income Generation (from 8 January 2020)
Mrs J Newman ³	- Development Director (from 2 December 2019)
Mrs S Conner ^{2,5}	- Director of Corporate Services
Mrs A Sargeant ^{1,2,3}	- Director of Finance

Chairman's report

The period covered by these financial statements has seen 12 months of significant development and change for the Hospice. To put this into context, I want to start by thanking Mark Millar. Mark joined St Elizabeth Hospice as interim CEO, later being appointed permanently in post by mutual agreement and serving a total of almost 5 years, stepping down in early January 2020.

Mark's passion was that patients should, whenever possible, be able to choose where to end their lives. For most, the preferred choice would be in their own home and he led on our "No Place Like Home" campaign and its funding. Together with the support from health care system partners, this resulted in tangible benefits to patients, their families and importantly formed the foundation of what was to follow in early 2020.

Secondly, Mark moved further into our care offering for young adults. In establishing the Zest brand, the Hospice pushed forward in fundraising for new pathways in our already well-respected young adult care programme. This resulted in the weekend respite care for young adults' pilot phase. Once again, this built secure foundations for the Hospice to move further forward in this, far too often, neglected field.

Thirdly, The Hospice had struggled for many years to secure meaningful statutory funding in the Great Yarmouth and Waveney CCG area. It was a huge credit to Mark that in April 2019 we began a contracted partnership with East Coast Community Healthcare in providing specialist palliative care from Beccles Hospital. You will note from the following reports that this has already had a dramatic effect on overall patient care numbers in only the first year of a badly needed programme. The organisations we partner with will, without doubt, increase in the future and talks are already well underway.

The Great Yarmouth and Waveney contract resulted in benefits in East Suffolk with the ability to, for example, increase and strengthen the 24 hour telephone helpline service, "One Call", over the whole geographical area. Once again this was going to prove crucial in early 2020.

Finally, Mark was generous in his flexibility of retirement timing and this gave the Board the luxury of a full, considered CEO recruitment process together with a professional handover period. Thank you, Mark, for all the foundations that you so professionally laid during your tenure.

Early January saw us welcome Ru Watkins as our new CEO. Ru joined St Elizabeth from Noah's Ark Children's Hospice in Barnet, North London. With a distinguished career in the Army followed by posts in senior commercial management and then as CEO of a hospice, the Board felt that Ru was the natural successor to move St Elizabeth Hospice on to the next phases of growth and development. Little did we know that within a few short weeks we would experience the Covid-19 crisis and all the foundation and preparatory work referred to above would be called upon so dramatically.

St Elizabeth was contracted to provide an end-of-life care hub to coordinate local services along with 6 additional inpatient beds. Together with Beccles, this took total inpatient bed capacity to 30. Only 12 months before it had stood at 18. The Hub, as it became known, involved the rapid conversion of the education block to form a call centre and the 6 new beds were fitted into therapy rooms. Many staff were redeployed into new roles. Unfortunately, Day Care was forced, by lockdown measures, to close temporarily and became staff changing facilities. The gym housed many meetings at a safe social distance.

At the same time all our retail shops, café and warehouses were forced to close for a period, and many retail staff furloughed under the Government's Job Retention Scheme. To top it all, investment values plummeted worldwide. Very quickly Ru's army training came to the fore. The speed at which these significant changes were made professionally and safely was wonderful to witness.

I am sure that both Mark and Ru would be the first to acknowledge that none of this progress and unprecedented change could have been achieved without the amazing dedication of the staff and volunteers at St Elizabeth. At all levels, the commitment to the mission, strategy and ethos has been unwavering. This year more than ever, it is important that I pay tribute to this outstanding team.

The Hospice community were very saddened to learn of the death of our President, Nick Ridley. As Chairman, President and supporter, Nick was one of those instrumental in building the fabric of St Elizabeth. He ensured its survival and growth over the next 30 years of operation through his wise council and support. He kept all his successor Chairs on their toes, never unduly critical but always there to offer supportive opinion. He will be forever missed.

St Elizabeth Hospice (Suffolk)

Chairman's report (*continued*)

Nick Ridley typified what the Hospice expects of its Board. I end with a heartfelt thanks to all of my fellow Trustees for both their time and expertise, freely and most generously given in the many different fields so necessary in a modern Hospice.

A handwritten signature in dark ink, consisting of a large, stylized loop followed by a long, sweeping horizontal stroke that extends to the right.

I J Turner
Chairman

Trustees' report

Governing Document

St Elizabeth Hospice (Suffolk) is a charitable company limited by guarantee governed by its Memorandum and Articles of Association dated 24 February 1984. These were updated and amended on 19 September 2005. It is registered as a charity with the Charity Commission. Staff and volunteers are eligible for membership of the charitable company after one year's service and the Board of Trustees can invite others to become members at their discretion. At 31 March 2020 there were 80 members (2019 -75), each of whom agrees to contribute £1 in the event of the winding up of the charitable company.

Administrative details

The administrative details of the charity are shown on page 2.

Recruitment and appointment of Board of Directors

The trustees are also the directors of the company for the purposes of company law and under the Company's Articles. Under the requirements of the Memorandum and Articles of Association the members of the board are elected to serve for a period of three years after which they must stand down and be re-elected at the next Annual General Meeting. New trustees are recruited to the board as required via a formal recruitment process.

During the year three new Trustees were appointed to the Board. Mr Nick Hulme, Mr Nick Hatton and Mr Graham Mackenzie. Nick Hulme is CEO of ESNEFT (East Suffolk and North Essex NHS Foundation Trust) which provides hospital and community health care services to Ipswich, Colchester and local areas. Nick Hatton, former IT and digital consultant with Virgin money and Care home groups. Graham Mackenzie, retired chief officer of Wandsworth CCG, currently part-time interim with Bromley CCG and Battersea Healthcare.

Dr Nicholl retired by rotation in accordance with the Articles of Association and offered himself for re-election at the 2019 AGM and was re-appointed to the board. Mr Hulme, Mr Hatton and Mr Mackenzie were appointed by resolution of the trustees with effect from July 2019 and in accordance with the Articles of Association were duly put forward for re-election at the 2019 AGM.

During the year two new shadow trustees were appointed to the Board for 2020, Harriet Davis and Lucy Watts. Harriet Davis is currently reading for a masters degree in financial and investment management. Lucy Watts is a palliative care patient from Essex. She is a regular public speaker and advocate with a national profile. The role of a shadow trustee is intended to ensure that the views and opinions of younger people are heard as part of the charity decision making. Shadow trustees attend and play an active role in both board and sub-committee meetings. The role does not have a voting right.

Trustee induction

New board members undergo an orientation programme to brief them on their legal obligations under charity and company law, the content of the Memorandum and Articles of Association, the board and decision making processes, the business plan and recent financial performance of the charity. During the induction day they meet key employees and other trustees. Trustees are encouraged to attend appropriate external training events in order to further facilitate the undertaking of their role.

Organisational structure

The board, currently consisting of twelve full trustees and two shadow trustees, meets regularly and has five principal sub-committees; the Finance Committee, the Governance Committee, the Income Generation Committee, the Patient and Family Services Committee and the Remuneration Committee, all of which have at least three trustee members. The committees are in turn supported by a number of operational groups supporting the charity's various activities. The Memorandum and Articles of Association allow for a minimum of three trustees but no maximum. The trustees have responsibility for the strategic direction of the charity, ensuring that it is solvent, operating in a professional manner and delivering the outcomes for which it has been set up. The board met on seven occasions during the year.

Attendance at board and sub – committees is set out below,

<i>Schedule of Attendance 2019/20</i>	Board of Trustees	Finance	Governance	Income Gen & Marketing	Patient & Family Services
Mr I Turner	7/7	4/4	4/4	3/3	
Mr W D Barnes	5/7	4/4	3/4		
Mrs A Hogarth	7/7	1/4	4/4		
Dr A D J Nichol	7/7	4/4	4/4		4/4
Ms G Drummond	5/7		1/4		3/4
Dr N Gibbons	7/7				3/4
Mr M Nicholls	1/7	3/4		2/3	
Mr T D Hunt	4/7			2/3	
Mrs A Parkinson	7/7				4/4
Mr N Hatton	6/7			1/3	
Mr N Hulme	5/7		2/4		1/3
Mr G Mackenzie	4/7		2/4		3/3
Mr E Sanyari	1/2				
Miss H Davis	1/1				
Miss L Watts	0/1				

The Chief Executive is appointed by the trustees with delegated authority for operational matters including finance, employment and care-related activity. The Chief Executive is responsible for ensuring that the charity delivers the services specified and key performance indicators are met. The senior leadership team has responsibility for the day-to-day operational management of the charity, individual supervision of various groups of staff, ensuring that staff develop their skills and good working practices.

There is a hospice partnership group in place, consisting of up to 15 patient representatives. Meetings are attended by the Chief Executive and a trustee to ensure that views of those we serve are taken into account in the operation and planning activities of the hospice. The partnership group chair submits an annual report to the Board of Trustees.

Governance

The Governance Committee, chaired by Ann Hogarth and comprising the Chief Executive, the Director of Corporate Services, the Director of Finance and four trustees, has responsibility for the operational governance of the charity. Governance Committee carries out a triennial review of the governance procedures, terms of reference of the board sub-committees and the role description of Chairman, Treasurer and other trustees. The Board of Trustees accepted the recommendations of Governance Committee in agreeing amendments to these procedures in March 2019.

The Board has developed a Board Assurance Framework (BAF) approach to risk. A BAF is in place which is reviewed by trustees and is supported by a series of risk registers relevant to the area of responsibility and agreed with the Board sub committees of Finance, Patient and Family Services, Income Generation and Marketing, and Governance.

During the year a working group was formed to map compliance with the Charity Governance Code, overall good adherence to the code was found, any areas for improvement were noted and the group resolved to review the progress of work relating to this at the Governance committee.

Public benefit statement

The Trustees confirm that they have complied with the duty in section 4 of the Charities Act 2006 to have due regard to the Charity Commission's general guidance on public benefit 'Charities and Public Benefit'.

St Elizabeth Hospice's charitable purpose is enshrined in its objects - "to promote the relief of persons of either sex (without regard to race or creed) who are suffering from any chronic or terminal illness or from any disability or disease attributable to old age or from any other physical or mental infirmity, disability or disease and of the families of such persons". The trustees ensure that this purpose is carried out for the public benefit by delivering a range of services to the people in the area free at the point of delivery. Access to these services is based solely on assessed need. The charity offers specialist medical, physical, emotional, spiritual and practical support to people with life limiting conditions and their families.

Our core purpose is to improve life for people living with a progressive illness.

The strategy employed to achieve the charity's aims and objectives is to provide a range of palliative care services and support free to those in need. These services are provided in a number of different settings including an in-patient unit, day units and in patients' own homes, by dedicated and skilled staff.

The charity offers a range of services and employs appropriate staff to meet the needs of patients and their families as well as benefitting from the support of over 1,708 volunteers. These services include medical, nursing, spiritual, well-being services including family support, art and music therapy, counselling, physiotherapy, occupational therapy and complementary therapy.

Feedback through audits and surveys continues to demonstrate a high level of satisfaction. Where complaints or incidents do occur we use these experiences to learn lessons that improve quality of care. The charity is registered with the Care Quality Commission and received an assessment of "Outstanding" at the last inspection in October 2016. The hospice did not identify any serious untoward incidents (SUI) as defined by the NHS during the year. Equally, there were no areas of concern which the Patient and Family Services Committee felt merited escalation to the Board of Trustees.

Disabled persons

The Charity has an Equal Opportunities policy. This means that we have undertaken to support disabled people employed within the Charity.

Employee Engagement

The Charity is committed to providing information to employees on matters of concern to them and consulting employees, or their representatives, all staff are provided with a weekly communication via email updating on current issues and events. Our internal magazine 'Get Involved' is published monthly and is provided to both staff and volunteers, the magazine provides an update from the Chief Executive, highlights news and events from the past month, staff and volunteer changes and upcoming events. The Charity operates a staff and volunteer forum which meets six times a year, the meeting is attended by the Chief Executive and is a forum to update and engage with representatives on all aspects of the charity. During Covid-19 email updates were provided more regularly, along with video messages from the Chief Executive and Chairman of Trustees updating and thanking staff and volunteers. The charity also has a Freedom To Speak Up guardian to ensure staff have a safe space to raise any concerns.

Strategic report

The Trustees present their strategic report for the year ended 31 March 2020, containing a review of achievements and performance, a financial review, plans for future periods and the principal risks they consider the Charity and Group faces.

Achievements and performance

The accounts show that for the year in question the charitable group incurred a deficit of £24,388. This is a much improved position from the previous financial year with legacy income returning to a more expected level. The Coronavirus pandemic resulted in challenges, both financially and operationally, at the end of the year. It also brought with it opportunity in terms of income recognised late in the year relating to government grants to mitigate income losses from retail and to fund job continuation in the form of the Coronavirus Job Retention Scheme.

The total number of people benefiting from our services rose again over the year from 2,684 to 2,962. The majority of the care is within the community, including those who live at home and attend appointments, groups and day care in the day unit. Our advice line continues to see an increase in calls. The majority of those calls are made between 8am and 8pm but calls come in over the whole 24 hour period, especially offering patients and their families a direct line to immediate care and advice.

The Covid 19 outbreak began to affect how we were able to offer our services in March 2020 with Day services closing.

We continued to work closely with our clinical partners across services, led by the End of Life Programme Board, and further develop our ambition to reduce unwanted hospital deaths and undertake more collaborative work and for services in our area to be delivered in a more coordinated way.

We further developed our education support and the accreditation programme to care homes, and responded to requests from the Clinical Commissioning Group and other partners to provide more external training e.g. District Nurses - communication, end of life care, and to schools on grief and dying

The young adult short break pilot was carried out between May 2019 and March 2020. The aim was to trial the provision of a new specialist short break service for young adults with complex palliative care needs - a national innovation within an adult hospice setting. By the end of the pilot 15 young adults had accessed overnight short breaks with 3 other young adults accessing day care short breaks - 18 families benefitting in total. Some families wanted to start with day attendances first, while others simply wanted day care as their short break choice.

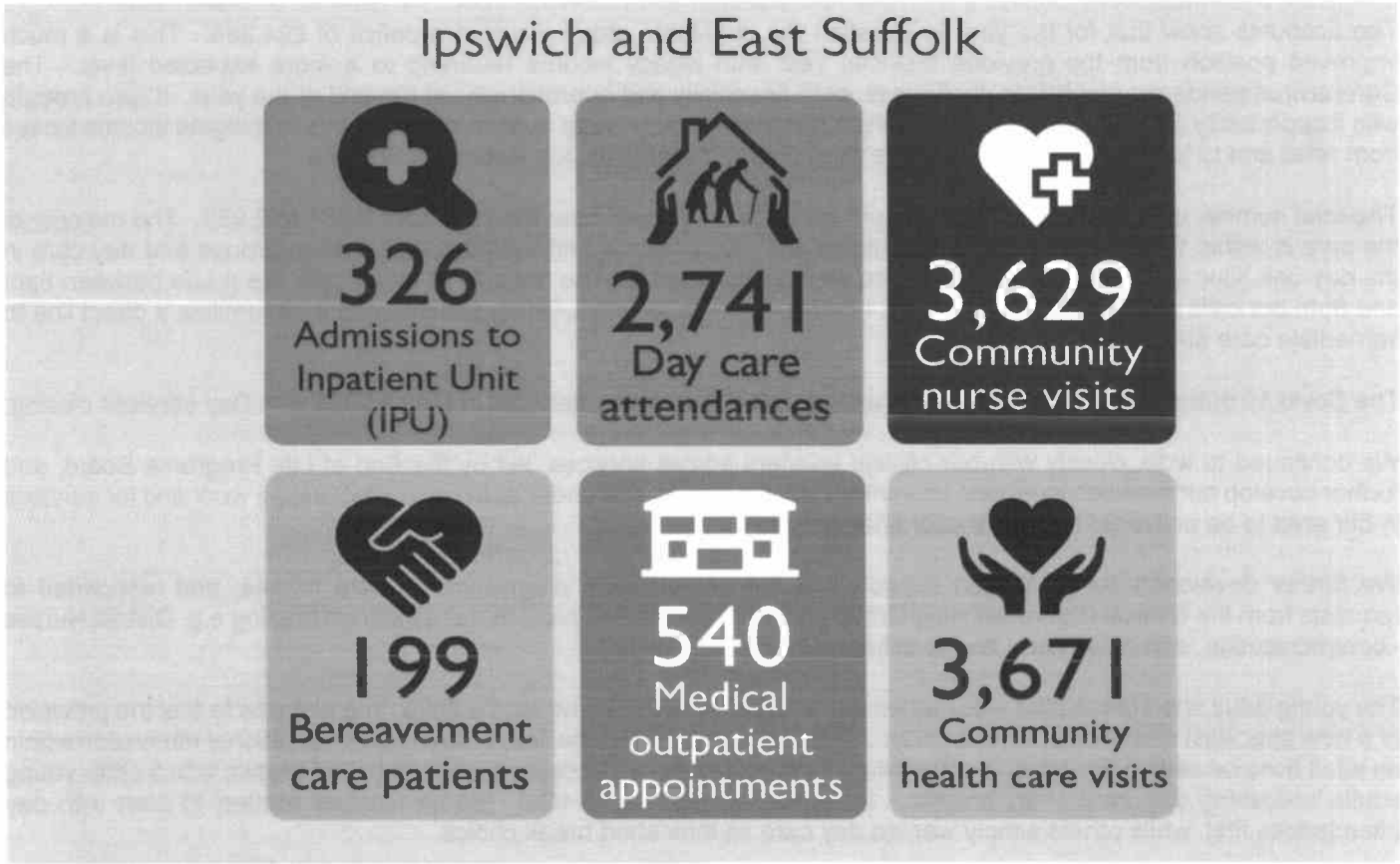
The feedback from young people and their families was encouraging:-

'Short breaks have allowed us to be spontaneous. Like getting up and just thinking let's do this today or let's go away for the weekend. We cannot do things without planning for every eventuality otherwise'

'What I got out of it was what I wanted - to build up my independence and confidence, and a bit of fun as well!'

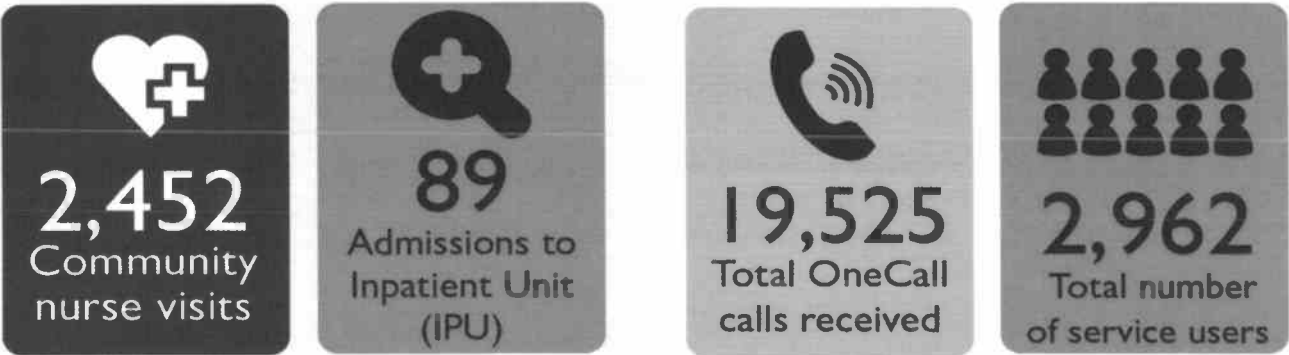
Service performance data

Ipswich and East Suffolk



Great Yarmouth and Waveney

Total of all areas



From 1 April 2019 under a sub-contract arrangement through East Coast Community Healthcare (ECCH) we started to deliver Specialist Palliative Care services to the community of Great Yarmouth and Waveney via 6 specialist beds in Beccles hospital, in-reach support to the James Paget Hospital, community services provided by a team of Community Nurse Specialists, Day Care at Beccles, a Counselling services and access to our 24/7 advice line. Working in partnership with ECCH has allowed the provision of this much needed service in the area and looks to expand the provision of services over the 5 year contract term.



The work of St Elizabeth is certainly not underestimated by its community and the support of the community in what has been a rapidly changing first part of 2020 has enabled us to develop a greater understanding of the ever changing need of health and social care and to respond to those changes. It is testimony to our myriad of partners, staff and supporters that within four days we were able to pull together and put in place a quick response to the Covid outbreak.

Our response saw the creation of a coordination hub to increase our ability to respond to the need of the community and professionals. By increasing our capacity on phones via One Call, using technology to support hard to reach patients, creating a virtual ward and iPads and setting up agile teams to support areas such as care homes, we were able to meet the challenge of Covid and the request of the Clinical Commissioning Group and other health and social care partners. Combined with this we developed a logistics hub to support the transfer of equipment, medicines and personnel across the county so that patients, their families and health professionals would be supported. We increased our bed capacity and redeployed staff to ensure that we could meet increased patient need. We set up remote grief and bereavement working alongside our usual practice and created a bespoke young person's grief and bereavement programme called 565, which on launch had over 200 teachers on an education webinar. We also started developing data-led modelling and analysis, thus allowing us to understand if we needed to surge, with support, into specific areas or if our resourcing was sufficient. We shared this information with partners in both clinical and social arenas and enabled a culture of co-production. We also understood that we could be a catalyst for change but increasingly that we should partner and work together in an integrated manner as in that way we create a greater effect for patients, families, health and social care professionals and Voluntary, Community and Social Enterprise (VCSE) partners.

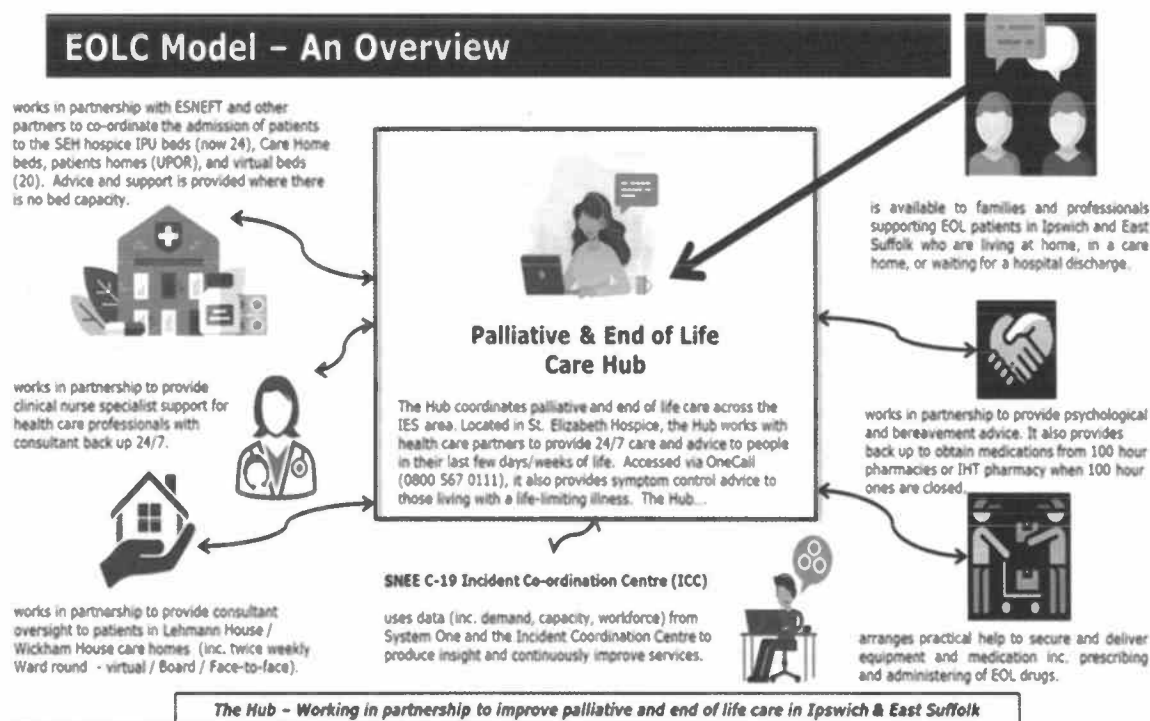
The work and commitment of all our staff and volunteers, many of whom at the outset were very understandably frightened, was something that typified the approach of St Elizabeth and its heartfelt role in the community. It is testimony to their work that:

- 4,753 incoming calls were received from April to June, and 6,376 outgoing calls were made in the same timeframe
- 1,730 patients were supported from April to June
- 78 patients were cared for on the virtual ward from April to June

The Covid period also saw us being innovative over our communication and fundraising offers. Virtual challenges abounded and our appeal to the community for financial support has already raised just under £200k. Our communication, not only talking about the role of St Elizabeth, but also working to reassure the community across all media channels, proved highly effective and enabled the wider health system to capitalise on our wider reach into the community. It is perhaps testimony to the communications team that we have seen:

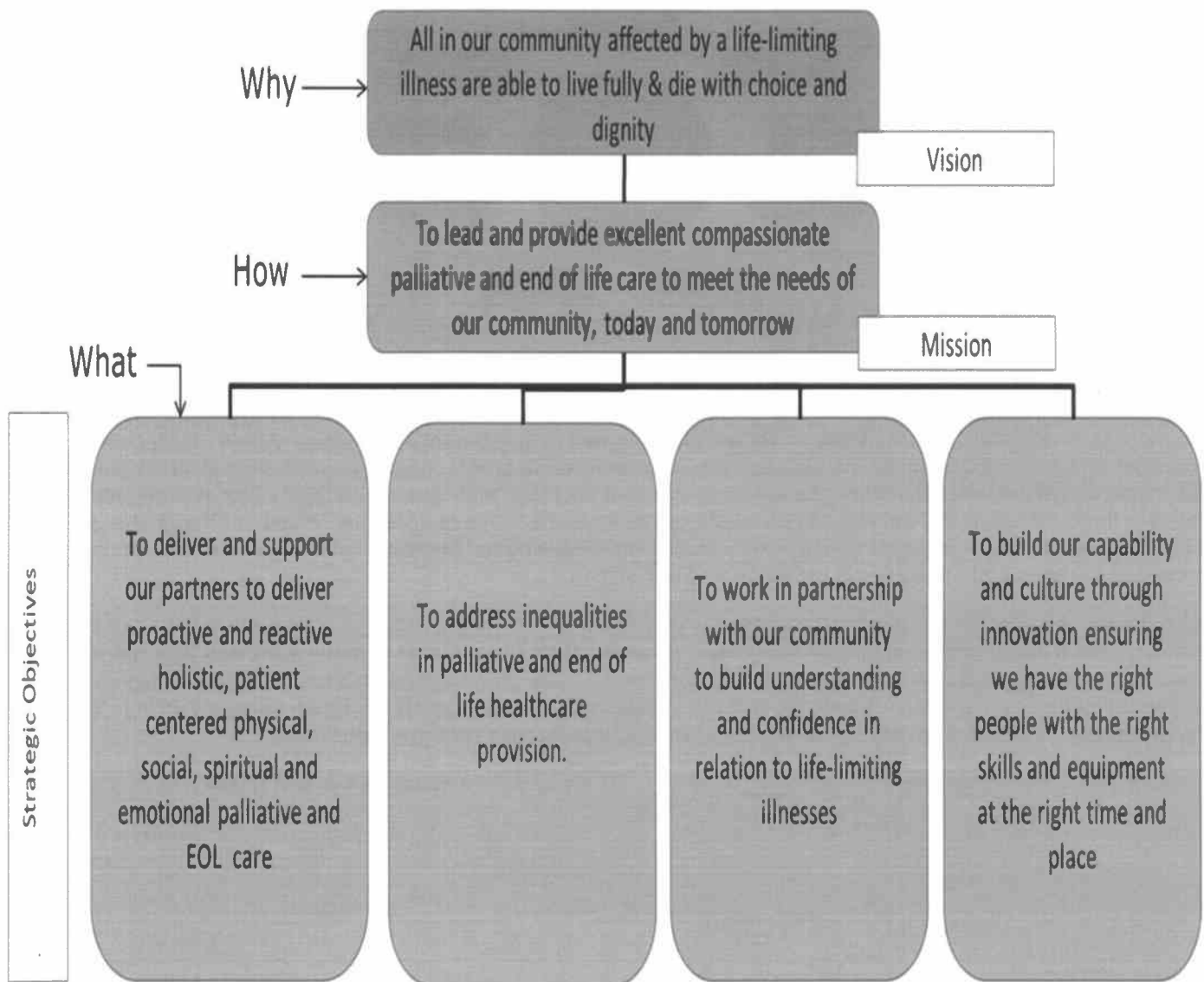
- 103 pieces of press coverage
- Significant engagement via social media platforms, with a substantial increase in Instagram and Instagram stories.

Though we have put the daycare service into light preservation and Retail was closed, the Covid period has allowed us to look at ourselves in a critical way, conscious that the future of the charitable sector and VCSE sector has and will change. It also allowed us to seek the opportunity of closer working across the health and social care system and with other partners in the VCSE sector and alongside key providers such as the University of Suffolk, with our friend and partner ECCH in the Great Yarmouth and Waveney Area and to listen to the needs of our community.



Objectives for the coming year

However, we now need to build upon the bedrock of past years and embed this change further. 2020 is now the year of our development of a new strategic intent, looking to provide, amongst other areas, a more seamless service to patients and their families and improved ways of working for health and social care partners.



Our four key pillars emphasise our role across Ipswich & East Suffolk and Great Yarmouth and Waveney. These pillars supported by our Vision and Mission, see St Elizabeth as a developer and catalyst for change in supporting the needs of the patient whilst building out our further resilience, a role that we have ensured is one that our community and partners wish us to take up. This development will see us delivering integrated partnership models with the health and social care system, VCSE and be a listening supporter to the community. This will be achieved by the development of a Compassionate Community programme and wider partnership working. We are already seeing the opportunity here, with our Young Adult service – ZEST – now having a formal offering to the community and support from other hospices in terms of resources, allowing us all to reach to a wider group of patients and families.

The future ambition for our young adults as designed by them and their families



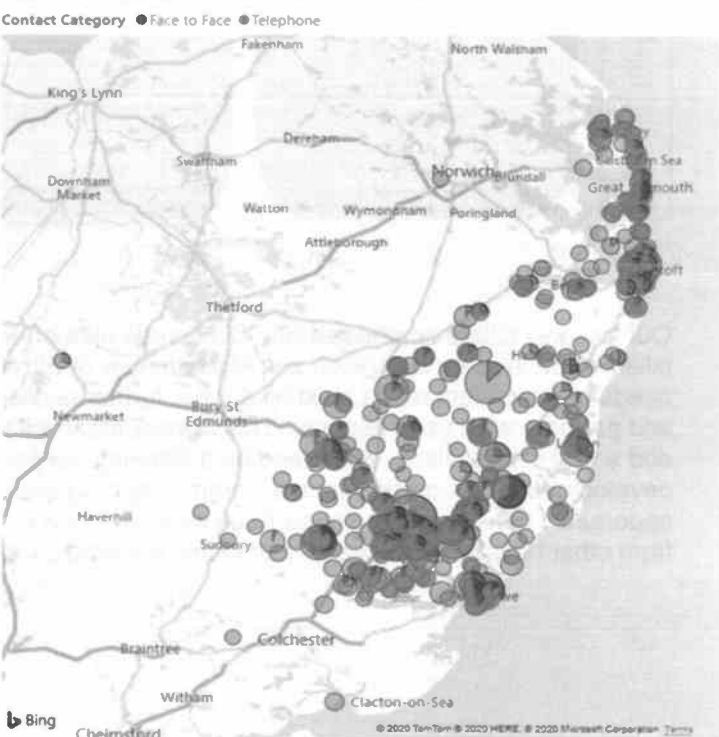
Our use of technology will also increase as we are planning further investment in this area. Within the income generation and communication sphere we have already seen the effect of technology and social media but we need to work harder to ensure we reach those groups that are disenfranchised and where inequality exists and be able to explain to them the value and help that St Elizabeth can bring to their lives and deaths. Whether through the use of technology such as ipads, as used during Covid, or through integrated but targeted communications and marketing, we need to increase and measure our presence and messaging.

We also need to embrace and use data to guide our decision making and the decision of other partners. This will mean we have a better understanding of the operating environment and are able to make quick and well informed decisions about where we can and need to deliver services, in essence we will be able to be both proactive and reactive without greater spend of resources, and this will be an important step for our future service delivery. We have already started on this journey, but will continue to invest and partner so we have robust data.

Requests for Advice / Support Taken by Home PostCode Since 1st June



Support Provided by Home PostCode Since 1st June



The opportunity within income generation and retail to redefine the offering is also important. Fundraising has changed and so has our overall strategy, but most importantly we cannot lose touch with our supporters so our income generation team will continue to engage with the wider community and donors and seek their thoughts on fundraising opportunities. Combined with this, the role of retail is also changing. This year will see a retail review, in conjunction with our emerging strategy and a look to how we can increase our online sales and presence as a key priority.

We are also in the process of expanding our services into the Great Yarmouth and Waveney area. Our partnership working with ECCH and support from other charitable organisations such as the Louise Hamilton Trust will hopefully see us delivering local services to a community that has for a long time asked for this support. Our new base in the Louise Hamilton Centre will act as a catalyst for us to assist in providing palliative and End of Life Care to the community as well as clinical and social care providers and partners.

As an organisation we must also invest in our workforce and volunteer groups – who have stood by us over many years. To that end we are looking at how we can develop staff and also corral the expertise and skills of volunteers to increase support across the whole of St Elizabeth. At no other time has it been so important to continue to listen, engage and support these two cohorts to whom we are eternally grateful.

The pillars have also identified where we will invest and resource into the future, and will allow us to truly gauge our effect and outcomes. We will ensure that we are prudent in terms of our financial resilience and ensure that our stakeholders are seeing true value for money. We will also look to being agile in terms of adopting new ways of working, service delivery, resourcing and partnerships – at the core of every decision must be to understand the need of the individual.

Financial Review

A deficit of £24,388 was incurred in the year, compared with a deficit of £1,895,929 in the previous year. Income increased by £3.6m, whilst expenditure rose by £1.4m. Legacy income rebounded to £1.6m in the year following a dramatic fall in income in the previous year to £424k. Public sector income from charitable activities rose significantly with £1.3m relating to contractual income for services in Great Yarmouth & Waveney, and £451k in government grants to support retail and job retention following the Coronavirus pandemic that hit late in the financial year.

£516k of the increase in expenditure related to raising funds of which, £316k was in fundraising and publicity which relates wholly to the Art Trail held in 2019 the income from the Art Trail more than covered the additional expenditure, and £211k in retail with increased costs of trading and full year of expenditure for our new community hub at Heath Road. The remaining expenditure increases related to additional staffing for the Great Yarmouth & Waveney contract, staffing costs for the Young Adult respite pilot and second year costs of the NHS pay award.

Investment performance was hit at year-end by global market conditions as a result of the Coronavirus pandemic. The portfolio having made significant gains during the year, there was a net year-end loss of £162k, which has more than reversed since that time. To mitigate anticipated cashflow pressures from late 19/20 onwards a portfolio drawdown of £1.3m was made in November 2019 which was a well-timed move given the turbulence in markets early 2020. The closing balance of investments is £4.6m, a crucial protection for service continuity in uncertain financial times.

Our balance sheet remains strong with fund balances sitting at £13.2m, of which freehold land and buildings make up £5.2m. Trustees have reviewed the level of reserves in light of the financial position and the required investment to meet the 2020/2021 strategic objectives.

The Coronavirus pandemic has placed income from donations and trading activities under considerable pressure, the retail portfolio was closed late March 2020, and fundraising from events, community and corporates has been hit. The charity has received government support from retail grants and Coronavirus job retention scheme grants. The charity launched an emergency funding appeal which so far has raised £200k, and has also received support grants from Public Health England through Hospice UK from April 2020. Coronavirus has had and will continue to have an unprecedented effect on the charity and our finances are under close review.

Reserves Policy

The charity needs financial resources to achieve its purposes and has to plan for the longer term to ensure continuity. The Trustees regularly review the charity's reserves policy. In determining the appropriate level of reserves Trustees have regard to the following matters:

1. Forecasts of expenditure on the basis of planned activity.
2. Working capital required for the day-to-day running of the hospice.
3. Income risks including:
 - a. The reliability of the various income sources.
 - b. The prospect of developing new sources of income.
 - c. An assessment, on the best evidence available, of the likelihood of each of these varying adversely and the potential impact on the charity of not being able to deal with variations.
4. Analysis of future needs which would be unlikely to be met out of the charity's regular income.
5. Funds required to replace assets.
6. Potential loss of value of the asset form in which reserves are held.
7. The need to provide capital and initial revenue support to continue to develop services.

Trustees reviewed their reserves policy in 2019. In line with current thinking, they moved away from a single measure of proportion of income in favour of a more risk-based approach. The current policy requires an assessment of the reasonable foreseeable risk of income loss, of increases to current planned expenditure and allows a sum for contingency. It was also resolved that provision should be made for the risk of major unforeseeable events such as prolonged downturn in income due to recession. Such an additional reserve maximises the potential for the Hospice to continue to maintain vital services to our community despite such occurrences.

The calculations indicate direct income risk of £2,351,000 and an expenditure risk of £762,000. Trustees determined to add a further £1,000,000 contingency and to double the income risk for unexpected external events. This indicates a total target reserve of around £6,464,000. The current situation with a global pandemic demonstrates the considerable uncertainties attached both to income and expenditure and the global economy and underlines the importance of having good reserves to ensure continuity of service.

At 31 March 2020 the Group's reserves stood at £13,193,351 (2019 - £13,217,739). These reserves include £81,809 of restricted reserves and designated reserves of £6,137,081 in the Fixed Assets fund which represents the value of Fixed Assets on the balance sheet. Trustees have allocated £nil for the Improvement fund (2019 - £566,000). The fund was exhausted in 2020 through providing the charitable costs of the preferred place of care project for a further year, and £64,884 for the Service Development fund (2019 - £202,000), the fund reduced by the year 1 costs of the Young Adult respite pilot. The balance of the General Fund (unrestricted) is £6,909,577, slightly in excess of the target reserves figure above. Post year end further allocations to specific reserves were reviewed in line with the charities revised strategic framework to be published in 2020, as such an allocation has been made to set aside an amount to cover forecast deficits for the two years to March 2023, and a further amount has been set aside for investment in productivity improvement and innovation over the same timeframe to align services to strategic intent.

The free reserves above equate to approximately 11.2 months total charitable expenditure. Trustees recognise the crucial importance of the Hospice's services to our communities. The amounts held in reserves referred to above combined with the grant income from Ipswich & East Suffolk CCG, and from East Coast Community Healthcare in relation to services in Great Yarmouth and Waveney, and other sources of income from these areas give the Trustees confidence as to the capacity to assure the continuity of service provision to both communities over the coming years.

Investment Policy

The overall objective of the charity's investment policy is to create sufficient income and capital growth to enable the charity to carry out its purposes consistently year by year. This objective is achieved by investing prudently in a broad range of fixed interest securities and equities which are quoted on a Recognised Investment Exchange and unit trusts and OEICs (open ended investment companies) which are authorised under the Financial Services and Markets Act 2000. The charity's investments are managed by Sarasin & Partners, specialists in charity investment. The Finance Committee meets regularly with Sarasin & Partners to review and discuss investment policy and performance against agreed benchmarks.

The portfolio was invested mainly in UK and overseas equities, fixed interest securities, specialised charity equity funds, unit trusts and cash deposits. The target portfolio asset allocation is along the following lines:

Equities	70%
Fixed interest / cash	18%
Property / other	12%

The charity also holds cash deposits to cover short term working capital and expenditure requirements. Trustees endeavour to exclude exposure to any investments in companies that draw a major part of their income from tobacco or related products.

Fundraising policies

St Elizabeth Hospice has signed up to the Fundraising Regulator and complies with its voluntary regulation scheme. We are entitled to display the Fundraising Regulator badge on our website and all fundraising resources which will give confidence to our supporters that we comply with best fundraising practices. Our lottery members also will have confidence that we are members of the Gambling Commission, Gamble Aware and the Lotteries Council.

We take pride in keeping all fundraising activities in house. Although we use high quality partners to help deliver a wide range of events and giving opportunities, all fundraising aspects are undertaken by our own staff. We do not outsource any fundraising. This direct control enables us to ensure a high quality and ethical approach and ensure vulnerable people are protected in line with industry best practice as set out in the regulatory scheme.

No complaints have been logged regarding our fundraising activities and we are not aware of any failures against the scheme standards.

St Elizabeth Hospice takes the protection of individuals' information seriously. It is committed to ensuring that it complies with principles of good practice within GDPR 2019. We only obtain personal information with the individuals consent and will only use it in a fair and lawful way to further the objects of the charity. We store personal details securely and will only use them to provide the individual with the service that they have requested and communicate with them in the way or ways that they have agreed to. Individuals data may also be used for analysis purposes, to help us to provide the best service possible. We will only allow information to be used by suppliers working on our behalf and we'll only share it if required to do so by law. We do not share data with third parties.

Going concern

The Coronavirus pandemic has provided an unprecedented threat to the charity's finances. The charity has a wide range of income-generating activities. Fundraising and retail income stands to reduce substantially in 20/21 from the temporary closure of retail shops, and the inability to run many events, to fundraise in the community and through lack of access to corporate supporters. There are likely to continue to be adverse impacts on our fundraising opportunities in to 2021.

The hospice has been able in part to mitigate these losses to income via government support through retail grants, the Coronavirus Job Retention Scheme and the emergency grant funding for all English hospices referred to above which has, since year end, amounted to £1.4m. This emergency funding is based on near-term estimated income loss. Funding at this stage is limited to the period April to June 2020.

A new grant agreement has been secured with the Ipswich and East Suffolk NHS CCG. This is a 4 year grant agreement which runs to 31 March 2024. Year 1 income under the new agreement is £1.8m compared to £1.4m in 19/20, and rises to £2.2m in year 4. Cashflow has been aided in 20/21 with the full grant value being paid upfront. This will be paid quarterly in advance in subsequent years. The higher grant includes an amount to cover medical supplies that were previously funded separately.

The notes on the previous pages set out the charity's objectives and policies for managing its financial risks, its investments and the free reserves it holds.

The trustees are monitoring the financial position of the charity closely using scenario planning for both the current and forthcoming financial year as the position on access to emergency grants and ability to trade changes rapidly. From a review of the charity's current and anticipated financial position, its investment portfolio and, its free reserves, as well as its cash flow and liquid resources we believe that the charity is well placed to manage its business risks and the unprecedented risks from Coronavirus successfully.

There are no material uncertainties that may cast doubt on the charity's ability to continue as a going concern. Trustees therefore have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. They continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Remuneration policy

In order to achieve its objectives, the charity needs to employ people with the necessary skills and experience across the whole organisation. To that end, it offers a level of pay reflecting individual performance and responsibilities to attract and retain appropriately trained and skilled staff. The pay structure and levels of pay are reviewed by the Remuneration Committee (which comprises the Chairman and three trustees) and is validated objectively against market comparators including salary survey data and guidance from professional advisors as appropriate. Particularly reference is made to NHS pay scales for clinical and medical staff. The pay framework sets out pay bands and is available to all staff. The charity operates an annual salary review with increases awarded for individual performance. The charity does not operate a bonus scheme.

Pay for the senior management team is managed through the same process. The number of staff in receipt of £60,000 and above is shown (in bands of £10,000) in note 3 to the accounts. The pension provisions for the Chief Executive and the senior leadership team are on the same terms as other employees.

All trustees give their time freely and are unremunerated.

Principal risks and uncertainties

Trustees have a Board Assurance Framework in place to support the risk management strategy which comprises:

- maintaining risk registers that cover all parts of the organisation,
- an annual review of the risks the charity may face,
- the establishment of systems and procedures to mitigate those risks identified in the plan,
- the implementation of procedures designed to minimise any potential impact on the charity should those risks materialise.
- maintaining adequate insurance cover.

A key element in the management of financial risk is the setting of a reserves policy and its regular review by the Finance Committee. The Board of Trustees and senior management regularly consider the major risks to which the charity is exposed.

The Governance Committee reviews the risk registers and checks that management implement appropriate procedures and controls and obtains appropriate insurance cover.

The major risks St Elizabeth Hospice faces are as follows:

- **NHS funding:**

A new 4 year grant agreement has been negotiated with the CCG that seeks to align the contribution from this source of funding to the national average level of hospice support. This contract has an annual incremental increase. However, there is a risk that this rate of increase does not keep pace with cost increases in real terms. The grant agreement includes a regular review of contribution level.

The Hospice continues to work closely with NHS colleagues via the Alliance Board and is participating in the End of Life Review consistently demonstrating the value of the services and the contribution the Hospice provides

- **Generated income shortfall:** The charity needs to offset NHS income risk by ensuring it has a diverse range of activities for generating funds that is independent of income from the NHS. The charity develops and maintains a wide range of income sources and is always seeking new potential income streams to support its charitable activities.

Some of the charity's income is quite volatile and unpredictable, particularly legacies. The charity maintains a level of reserves that enables it to handle these fluctuations in income without impacting service delivery in the short term.

The Coronavirus pandemic has had a significant impact on generated income and the resulting economic downturn will also have an effect on future income. Finances are under continued review using scenario planning and the Finance committee are in the process of developing a financial strategy focused on hospice financial sustainability and growth.

- **Patient care quality:** The charity is registered with the Care Quality Commission (CQC), the sector's care regulator. The quality of patient care is key to meeting the care standards required and maintaining the high reputation of the charity in its local community which also, in turn, affects the ability to raise funds. The charity takes considerable care to ensure it maintains high patient care standards and that these are regularly monitored and improved. This risk is mitigated by ensuring that suitably qualified staff are recruited, rewarded and are appropriately skilled and trained.
- **Staff knowledge and skills:** Key to an effective organisation and especially to the delivery of high quality care is the knowledge and skills of the charity's staff. Our education department oversees the arrangement, delivery and monitoring of all staff training and development.

Trustees' responsibilities in relation to the financial statements

Trustees are responsible for preparing the trustees' report and the financial statements in accordance with applicable law and United Kingdom accounting regulations.

Company law requires Trustees to prepare financial statements for each financial year. Under that law Trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view. In preparing those financial statements, Trustees are required to:

- a. select suitable accounting policies and then apply them consistently;
- b. observe the methods and principles in the Charities SORP;
- c. FRS 102 (The Financial Reporting Standard applicable) has been followed subject to any materials departures disclosed and explained in the financial statements;
- d. make judgments and estimates that are reasonable and prudent;
- e. prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

Trustees are responsible for ensuring the charity keeps adequate accounting records that are sufficient to show and explain the group's transactions and disclose with reasonable accuracy at any time the financial position of the group 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 group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement as to disclosure of information to the auditors

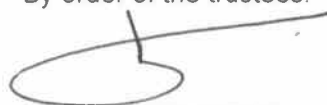
In accordance with company law the trustees, as the company's directors, certify that:-

- So far as we are aware, there is no relevant audit information of which the charitable company's auditor is unaware.
- As the directors of the company we have taken all the steps that we ought to have taken in order to make ourselves aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

Auditors

A resolution to reappoint RSM UK Audit LLP, Chartered Accountants, as auditor will be put to the members at the annual general meeting.

By order of the trustees.



I J Turner (Chairman)
24 August 2020

Opinion

We have audited the financial statements of St Elizabeth Hospice (Suffolk) (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 Charity Balance Sheets, the Consolidated Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 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; and
- have been prepared in accordance with the requirements of the Companies Act

Basis for opinion

We have been appointed auditors under the Companies Act 2006 and report in accordance with those Acts.

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

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 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.

Other information

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

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

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report and the incorporated Strategic Report prepared for the purpose of company law for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Report and the incorporated Strategic Report have 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 their environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report and the incorporated Strategic Report.

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

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

Responsibilities of trustees

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

In preparing the financial statements, the trustees are responsible for assessing the group's and 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 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

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 provided on the Financial Reporting Council's website at <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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



CLAIRE SUTHERLAND (Senior Statutory Auditor)
For and on behalf of RSM UK AUDIT LLP, Statutory Auditor
Chartered Accountants
Abbotsgate House
Hollow Road
Bury St Edmunds
Suffolk
IP32 7FA

27 August 2020

St Elizabeth Hospice (Suffolk)

Consolidated Statement of Financial Activities incorporating the Income and Expenditure Account For the year ended 31 March 2020

	Note	Unrestricted Funds £	Restricted Funds £	2020 £	Unrestricted Funds £	Restricted Funds £	2019 £
Income from donations and legacies							
Donations		2,436,623	83,128	2,519,751	1,875,213	143,135	2,018,348
Legacies		1,504,867	76,000	1,580,867	424,158	-	424,158
	5	3,941,490	159,128	4,100,618	2,299,371	143,135	2,442,506
Income from charitable activities							
	6	3,654,007	363,445	4,017,452	1,809,314	332,664	2,141,978
Income from trading activities							
Commercial trading		4,052,266	-	4,052,266	3,929,346	-	3,929,346
Lottery subscriptions		466,023	-	466,023	501,895	-	501,895
Other income		170,919	-	170,919	107,791	4,230	112,021
		4,689,208	-	4,689,208	4,539,032	4,230	4,543,262
Investment income							
	7	236,437	-	236,437	277,542	-	277,542
Total income		12,521,142	522,573	13,043,715	8,925,259	480,029	9,405,288
Expenditure on:							
Raising funds:							
Fundraising and publicity		1,459,974	-	1,459,974	1,133,577	10,000	1,143,577
Commercial trading		3,815,989	-	3,815,989	3,605,220	-	3,605,220
Lottery prizes and administration		169,748	-	169,748	177,008	-	177,008
Investment management costs		37,478	-	37,478	41,619	-	41,619
		5,483,189	-	5,483,189	4,957,424	10,000	4,967,424
Charitable activities:							
Inpatients		3,585,450	80,378	3,665,828	3,482,278	63,612	3,545,890
Daycare		470,945	59,446	530,391	334,888	41,446	376,334
Community		2,130,524	368,531	2,499,055	1,693,119	260,890	1,954,009
Therapies and wellbeing		724,141	3,410	727,551	635,454	4,867	640,321
		6,911,060	511,765	7,422,825	6,145,739	370,815	6,516,554
Total expenditure	8	12,394,249	511,765	12,906,014	11,103,163	380,815	11,483,978
Net income/(deficit) from operational activities		126,893	10,808	137,701	(2,177,904)	99,214	(2,078,690)
Net (losses)/gains on investments	11	(162,089)	-	(162,089)	182,761	-	182,761
Net movement in funds before transfers		(35,196)	10,808	(24,388)	(1,995,143)	99,214	(1,895,929)
Transfers	17	55,414	(55,414)	-	34,135	(34,135)	-
Net movement in funds after transfers		20,218	(44,606)	(24,388)	(1,961,008)	65,079	(1,895,929)
Reconciliation of funds							
Fund balances brought forward		13,091,324	126,415	13,217,739	15,052,332	61,336	15,113,668
Fund balances carried forward	17	13,111,542	81,809	13,193,351	13,091,324	126,415	13,217,739

	Note	Group		Charity	
		2020	2019	2020	2019
		£	£	£	£
Fixed assets					
Tangible assets	10	6,020,395	6,178,768	6,020,395	6,178,768
Intangible assets	10	116,686	28,920	116,686	28,920
Investments	11	4,568,524	6,024,145	4,598,524	6,054,145
		<u>10,705,605</u>	<u>12,231,833</u>	<u>10,735,605</u>	<u>12,261,833</u>
Current assets					
Stocks	13	86,345	82,700	8,134	11,899
Debtors	14	2,000,132	1,335,368	2,050,742	1,442,698
Cash at bank and in hand	15	1,580,627	936,606	1,572,426	909,305
		<u>3,667,104</u>	<u>2,354,674</u>	<u>3,631,302</u>	<u>2,363,902</u>
Creditors: amounts falling due within one year	16	1,179,358	1,368,768	1,143,345	1,352,037
Net current assets		<u>2,487,746</u>	<u>985,906</u>	<u>2,487,957</u>	<u>1,011,865</u>
Net assets		<u>13,193,351</u>	<u>13,217,739</u>	<u>13,223,562</u>	<u>13,273,698</u>
General fund (unrestricted)		6,909,577	6,115,636	6,939,788	6,171,595
Designated funds (unrestricted)					
Fixed assets fund		6,137,081	6,207,688	6,137,081	6,207,688
Improvement fund		-	566,000	-	566,000
Service development fund		64,884	202,000	64,884	202,000
Restricted fund		<u>81,809</u>	<u>126,415</u>	<u>81,809</u>	<u>126,415</u>
Total funds	17	<u>13,193,351</u>	<u>13,217,739</u>	<u>13,223,562</u>	<u>13,273,698</u>

No separate Statement of Financial Activities has been presented for the Charity alone as permitted by section 408 of the Companies Act 2006. The unconsolidated figure for the net movement in funds of the Charity, including donations from its subsidiaries, would have been (£50,136) (2019: net movement in funds of (£1,907,704)).

The financial statements were approved and authorised for issue by the board on 24 August 2020, and signed on their behalf by

I J Turner
Director


W D Barnes
Director

The notes on pages 25 to 43 form part of these financial statements.

St Elizabeth Hospice (Suffolk)

Consolidated cash flow statement for the year ended 31 March 2020

	Note	2020 £	2019 £
Net cash used in operating activities	A	(591,221)	(967,678)
Cashflows from investing activities			
Interest received		3,293	1,156
Income from fixed asset investments		233,144	276,386
Purchase of tangible fixed assets		(266,460)	(224,330)
Purchase of intangible fixed assets		(28,267)	(36,150)
(Increase)/decrease in investment cash		(7,654)	20,544
Proceeds from sale of fixed asset investments		1,301,186	970,000
Net cash provided by investing activities		1,235,242	1,007,606
Change in cash and cash equivalents in the reporting period	B	644,021	39,928
Cash and cash equivalents at the beginning of the reporting period		936,606	896,678
Cash and cash equivalents at the end of the reporting period		1,580,627	936,606

A Reconciliation of net expenditure to net cash flow from operating activities

	2020 £	2019 £
Net expenditure for the reporting period	137,701	(2,078,690)
Investment income	(236,437)	(277,542)
Depreciation, amortisation and loss on disposal	365,334	324,187
(Decrease) in stocks	(3,645)	(45,678)
(Increase)/decrease in debtors	(664,764)	694,718
(Decrease)/increase in creditors	(189,410)	415,327
Net cash used in operating activities	(591,221)	(967,678)

B Analysis of changes in net funds

	2020 £	2019 £
Operating net funds		
Cash and cash equivalents	936,606	896,678
Changes in net funds arising from:		
Cashflows of the entity	644,021	39,928
Closing net funds		
Cash and cash equivalents	1,580,627	936,606

1 Accounting policies

Basis of preparation

The financial statements are prepared under the historical cost convention, with the exception of investments which are stated at market value. The financial statements have been prepared in accordance with the Companies Act 2006, in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with FRS 102 and the Charities SORP (FRS 102).

The Trustees, having considered the financial risks as outlined in the Trustees' report and the impact of Coronavirus on the ability of the charity to generate sufficient income to continue activities, financial forecasts have been prepared for the current and subsequent financial year incorporating known government support, trading estimates and commitments to expenditure reduction and as a result of these forecasts, Trustees are satisfied that there are no material uncertainties and that the Charity will be able to meet all its financial commitments in the 12 months from approval of these financial statements and accordingly have adopted the going concern basis in preparing these accounts.

St Elizabeth Hospice (Suffolk) is a charitable company limited by guarantee, incorporated in England and Wales which meets the definition of a public benefit entity under FRS102.

Group accounts

The consolidated financial statements incorporate the accounts of the Charity and those of its trading subsidiaries, Hospice Trading (Ipswich) Limited and St Elizabeth Care Agency Ltd, for the year ended 31 March 2020. A separate Statement of Financial Activities (SOFA) is not presented as the Charity has taken advantage of the exemptions afforded by section 408 of the Companies Act 2006.

Income

Income is included in the Statement of Financial Activities when the Charity is entitled to the income, the amount can be quantified with reasonable accuracy and there is probability of receipt.

The following specific policies apply to categories of income:

- Income for the provision of care services in the St Elizabeth Care Agency is included on a receivable basis.
- Legacies are included on the earlier of the estate being finalised and notification of value or the receipt of cash.
- Gifts donated for resale are included when sold at the price they were sold for. No amounts are included in the financial statements for services donated by volunteers.
- Lottery income is accounted for in respect of those draws that have taken place during the year.
- Government grants are credited to income in the period in which the Charity becomes entitled to them unless the grant carries pre-conditions that require the income to be deferred into a future period.

Expenditure

All expenditure is accounted for on an accruals basis and liabilities are recognised as resources expended as soon as there is a legal or constructive obligation committing the Charity to the expenditure. Expenditure has been classified under headings that aggregate all costs related to the category.

- Costs of raising funds are those costs incurred in attracting grants and donations, and those incurred in trading activities that raise funds.
- Charitable activities include expenditure associated with the provision of hospice services and include both the direct costs and support costs relating to these activities.
- Support costs include central functions and have been allocated to activity cost categories on a headcount basis.

Volunteers and donated services and facilities

The value of services provided by volunteers is not incorporated into these financial statements. Further details of the contribution made by volunteers can be found in the Strategic Report.

Where services or goods are provided to the Charity as a donation they are included in the financial statements at an estimate based on the value of the contribution to the Charity.

1 Accounting policies (continued)

Tangible fixed assets and depreciation

Fixed assets are capitalised where they cost more than £1,000 individually or where their total cost exceeds this value when they form part of a capital project. Depreciation is provided to write off the cost, less estimated residual values, of all fixed assets evenly over their expected useful lives. A full year's depreciation is charged in the year of acquisition and no charge in the year of disposal. No charge is made in the year for assets under construction. Depreciation is calculated at the following rates:-

Freehold buildings	- over 50 years
Plant and equipment	- over 20 years
Fixtures and fittings	- over 7 years
Motor vehicles	- over 5 years
Computer and EPOS equipment	- over 3-5 years

Intangible fixed assets and amortisation

Intangible assets are capitalised where they cost more than £1,000 individually or where their total cost exceeds this value when they form part of a capital project. Amortisation is provided to write off the cost, of all intangible assets evenly over their expected useful lives. A full year's amortisation is charged in the year of acquisition and no charge in the year of disposal. Amortisation is calculated at the following rates:-

Software	- over 5 years
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Impairment of fixed assets

The need for any fixed asset impairment write-down is assessed by comparison of the carrying value of the asset against the higher of net realisable value and value in use.

Investments

Investments are stated at market value at the balance sheet date except investments in subsidiary undertakings which are held at cost. The Statement of Financial Activities includes gains and losses arising on revaluations and disposals throughout the year.

Realised gains and losses represent the difference between the market value at the date of acquisition and the eventual sale proceeds. Unrealised gains and losses represent the difference between market value at the previous balance sheet date, or cost of any purchases during the year, and the market value at the balance sheet date.

Stocks

Stocks are included at the lower of cost and net realisable value.

Financial instruments

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value, apart from listed investments which are held at fair value derived as noted within the investments accounting policy.

Debtors

Trade and other debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid net of any discounts due.

Cash at bank and in hand

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

1 Accounting policies (*continued*)

Creditors

Creditors are recognised where the Charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are normally recognised at their settlement amount after allowing for any trade discounts due.

Pension costs

A number of employees contribute to the NHS Superannuation scheme and certain other employees participate in personal pension plans. Whilst the NHS Superannuation scheme is a Defined Benefit Scheme, it is a multi-employer scheme for which the Charity's share of the underlying assets and liabilities cannot be identified; it is therefore accounted for as a Defined Contribution Scheme in accordance with FRS 102. The Charity's contributions to these schemes are therefore charged to the Statement of Financial Activities when due.

Operating leases

Rentals paid under operating leases are charged evenly to the Statement of Financial Activities over the period in which the related asset is utilised.

Taxation

St Elizabeth Hospice (Suffolk) is a registered Charity and as such its income and gains are exempt from Corporation Tax to the extent that they are applied to its charitable objectives. The trading subsidiaries are liable to taxation but there is no provision for Corporation Tax in the financial statements of these entities as advantage is taken of the Gift Aid scheme in donating all taxable profits to its charitable parent, St Elizabeth Hospice (Suffolk).

Fund accounting

Unrestricted funds comprise accumulated surpluses and deficits on the general fund and designated funds. They are available for use at the discretion of the Trustees in furtherance of the charity objectives.

Designated funds are those funds designated for particular purposes or projects at the discretion of the trustees.

Restricted funds are created when grants, donations or legacies are made, which have a restriction placed on them by the donor, as to their use.

Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

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

The assessment of the useful economic lives, residual values and the method of depreciating fixed assets requires management estimation. Depreciation is charged to the statement of financial activities based on the useful economic life selected, which requires an estimation of the period and profile over which the group expects to consume the future economic benefits embodied in the assets. Useful economic lives and residual values are re-assessed, and amended as necessary, when changes in their circumstances are identified.

2 Net movement in funds

	2020 £	2019 £
This has been arrived at after charging:		
Depreciation	325,658	305,187
Amortisation	12,884	7,230
Operating lease payments - equipment	33,826	36,257
Operating lease payments - land and buildings	509,695	475,974
Auditor's remuneration - Charity	13,000	12,625
Auditor's remuneration – subsidiaries	6,350	6,170
Auditor's remuneration – corporation tax fees	3,635	3,460
Auditor's remuneration – other	1,285	1,036
	<u> </u>	<u> </u>

3 Staff costs

	2020 £	2019 £
Salaries	8,282,664	7,450,362
Social security costs	691,489	616,555
Pension costs	593,237	505,293
	9,567,390	8,572,210

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

	2020 Number	2019 Number
£60,001 - £70,000	6	9
£70,001 - £80,000	1	-
£90,001 - £100,000	1	-
£130,001 - £140,000	1	1
	9	10

Six of the employees (2019 - seven) earning more than £60,000 are medical staff paid in accordance with NHS standard remuneration terms and who accrued benefits within the NHS Superannuation pension scheme, a defined benefit scheme. Two (2019 - three) accrued benefits under the company's defined contribution schemes. One employee earning more than £60,000 opted out of pension contributions.

The average monthly head count was 410 staff (2019: 382 staff) and the average monthly number of full-time equivalent employees during the year were as follows:

	2020 Full time equivalent	2019 Full time equivalent
Hospice services	140	126
Fundraising and publicity	25	28
Shops	62	60
Management and administration	48	45
	275	259

None (2019 - none) of the trustees or connected persons received any remuneration during the year. Trustees are entitled to the reimbursement of expenses necessarily incurred on company business. During the year to 31 March 2020, no such expenses were claimed (2019 - none).

The Charity considers that the key management personnel comprises the trustees and the senior leadership team, which consists of the Chief Executive and six other members. The total employment benefits, including employer pension contributions of the key management personnel were £551,534 (2019 - £542,487).

The Charity has made payments of £50,980 (2019 - £40,791) under redundancy and settlement agreements, of which £28,000 (2019: 10,936) was non-contractual.

4 Taxation

The company is a registered charity and is not liable to taxation on its income to the extent that it is applied to its charitable objectives. Income tax deducted at source from income is recovered from HM Revenue and Customs whenever possible.

5 Income from donations and legacies

	2020		2019	
	£	£	£	£
Unrestricted income:				
In memoriam		415,140		468,702
Trusts		138,724		149,799
Fundraising donations and other gifts		1,882,759		1,256,712
		<u>2,436,623</u>		<u>1,875,213</u>
Restricted income:				
Trusts	48,160		102,914	
Fundraising donations and other gifts	34,968		40,221	
		<u>83,128</u>		<u>143,135</u>
		<u>2,519,751</u>		<u>2,018,348</u>
Legacies-unrestricted	1,504,867		424,158	
Legacies-restricted	76,000		-	
		<u>1,580,867</u>		<u>424,158</u>
		<u>4,100,618</u>		<u>2,442,506</u>

6 Income from charitable activities

	2020	2019
	£	£
Unrestricted income: Grants (Ipswich & East Suffolk)	1,932,500	1,809,314
Unrestricted income: Grants (Great Yarmouth & Waveney)	1,270,722	-
Unrestricted income: Other Government Grants	450,785	-
Restricted income: Grants	363,445	332,664
	<u>4,017,452</u>	<u>2,141,978</u>

During the year ended 31 March 2020 drugs to the value of £92,321 (2019 - £104,280) were provided by NHS Suffolk without charge out of central Government funds specifically allocated for voluntary hospices. The NHS also contributes to the cost of salaries of certain medical staff. These amounts have been introduced into the accounts as a grant received in kind and are included in the Ipswich & East Suffolk unrestricted total above.

7 Investment income

	2020	2019
	£	£
Bank deposit and building society interest	3,293	1,156
Interest and dividends on listed investments	233,144	276,386
	<u>236,437</u>	<u>277,542</u>

8 Analysis of expenditure

Costs of raising funds

Fundraising

	2020 £	2019 £
Salaries	684,323	708,477
Fundraising expenses	525,521	186,874
Support costs	250,130	248,226

	1,459,974	1,143,577
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Commercial trading

Salaries	1,926,401	1,860,929
Costs of merchandise	185,256	114,496
Overheads	1,021,458	954,857
Support costs	682,874	674,938

	3,815,989	3,605,220
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Lottery prizes and administration

Salaries	26,743	33,684
Prizes and administration	128,616	127,958
Support costs	14,389	15,366

	169,748	177,008
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Investment management costs

	37,478	41,619
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Costs of Charitable activities

Inpatient Unit

Salaries	2,547,967	2,369,607
Drugs and dressings	174,134	210,940
Other costs	69,438	54,983
Catering including wages and salaries	266,342	260,246
Support costs	607,947	650,114

	3,665,828	3,545,890
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Day Services

Salaries	414,253	275,742
Other costs	24,387	17,849
Support costs	91,751	82,743

	530,391	376,334
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Community

Salaries	1,965,403	1,439,856
Other costs	112,749	112,263
Support costs	420,903	401,890

	2,499,055	1,954,009
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Therapies and Wellbeing

Salaries	546,301	470,470
Drugs and dressings	2,406	1,047
Other costs	19,359	15,142
Support costs	159,485	153,662

	727,551	640,321
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Total expenditure

	12,906,014	11,483,978
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9 Support costs allocation

	Finance & legal £	Office Mgmt £	IT £	HR £	Property & Depn £	PR £	Education £	Governance £	2020 Total £	2019 Total £
Fundraising	30,404	31,417	31,458	24,769	93,688	19,316	14,930	4,148	250,130	248,226
Commercial trading	83,004	85,770	85,884	67,621	255,775	52,735	40,759	11,326	682,874	674,938
Lottery	1,749	1,807	1,810	1,425	5,389	1,111	859	239	14,389	15,366
Inpatient Unit	73,897	76,360	76,460	60,202	227,710	46,948	36,287	10,083	607,947	650,114
Day Services	11,152	11,524	11,539	9,086	34,366	7,086	5,476	1,522	91,751	82,743
Community	51,161	52,866	52,936	41,680	157,652	32,504	25,123	6,981	420,903	401,890
Therapies and Wellbeing	19,386	20,032	20,058	15,793	59,736	12,316	9,519	2,645	159,485	153,662
	<u>270,753</u>	<u>279,776</u>	<u>280,145</u>	<u>220,576</u>	<u>834,316</u>	<u>172,016</u>	<u>132,953</u>	<u>36,944</u>	<u>2,227,479</u>	<u>2,226,939</u>

The entity adopts a policy of allocating costs to the respective cost headings through the year. This allocation includes support costs and governance costs where they are directly attributable. Where they are not directly attributable, support costs and governance cost are allocated on the basis of FTE headcount.

10.1 Tangible fixed assets

Group and Charity

	Freehold land and buildings £	Equipment, fixtures and fittings £	Motor Vehicles £	Total £
Cost				
At 1 April 2019	6,698,509	2,230,221	22,845	8,951,575
Additions	5,722	188,355	-	194,077
Disposals	-	(42,072)	-	(42,072)
At 31 March 2020	6,704,231	2,376,504	22,845	9,103,580
Depreciation				
At 1 April 2019	1,398,562	1,351,400	22,845	2,772,807
Charge for the year	133,567	192,091	-	325,658
Eliminated on disposal	-	(15,280)	-	(15,280)
At 31 March 2020	1,532,129	1,528,211	22,845	3,083,185
Net written down value				
At 31 March 2020	5,172,102	848,293	-	6,020,395
At 31 March 2019	5,299,947	878,821	-	6,178,768

The cost of land, not depreciated, included above is £40,000 (2019: £40,000).

10.2 Intangible fixed assets

Group and Charity

	Software £
Cost	
At 1 April 2019	36,150
Additions	100,650
At 31 March 2020	136,800
Amortisation	
At 1 April 2019	7,230
Charge for the year	12,884
At 31 March 2020	20,114
Net written down value	
At 31 March 2020	116,686
At 31 March 2019	28,920

11 Fixed asset investments

	Group		Charity	
	2020	2019	2020	2019
	£	£	£	£
Investments in subsidiary undertakings	-	-	30,000	30,000
Long term investments	4,568,524	6,024,145	4,568,524	6,024,145
	<u>4,568,524</u>	<u>6,024,145</u>	<u>4,598,524</u>	<u>6,054,145</u>

The investment in subsidiaries relates to the whole share capital of Hospice Trading (Ipswich) Limited (company registration number 02354082) being 20,000 ordinary shares of £1 each, and St Elizabeth Care Agency Ltd (company registration number 8357715) being 10,000 ordinary shares of £1 each. Hospice Trading (Ipswich) Limited operates as a trading company, the main business of which is the sale of goods purchased for resale. St Elizabeth Care Agency Ltd operates as a provider of domiciliary care. The registered office of both subsidiaries is the same as the parent company.

Long term investments

	Group and charity	
	2020	2019
	£	£
Market value		
At 1 April 2019	6,018,932	6,806,171
Disposals	(1,301,186)	(970,000)
Realised gains	618,517	415,372
Unrealised losses	(780,606)	(232,611)
	<u>4,555,657</u>	<u>6,018,932</u>
Cash deposits	12,857	5,203
Hospice Quality Partnership	10	10
At 31 March 2020	<u>4,568,524</u>	<u>6,024,145</u>
<i>Market value can be analysed as follows:</i>		
UK listed equities and unit trusts	4,555,657	6,018,932
Cash deposits	12,857	5,203
Hospice Quality Partnership	10	10
	<u>4,568,524</u>	<u>6,024,145</u>
<i>The historical cost of long term investments can be analysed as follows:</i>		
UK listed equities and unit trusts	2,664,338	3,347,007
Cash deposits	12,857	5,203
Hospice Quality Partnership	10	10
Cost at 31 March 2020	<u>2,677,205</u>	<u>3,352,220</u>

12 Results of commercial subsidiaries

The results of the trading subsidiary, Hospice Trading (Ipswich) Limited, are shown below. The principal activity of Hospice Trading (Ipswich) Limited is the sale of goods bought in for resale.

	2020 £	2019 £
Turnover	392,490	341,660
Cost of sales	(162,885)	(114,496)
Gross profit	229,605	227,164
Administrative expenses	(204,416)	(195,746)
Operating profit	25,189	31,418
Tax on profit	-	(38,563)
Profit/(loss) after tax and profit for the year	25,189	(7,145)

Balance Sheet

	2020 £	2019 £
Fixed assets	-	1,400
Current assets	91,060	97,185
Creditors: amounts falling due within one year	(43,471)	(43,003)
Total net assets	47,589	55,582
Share capital	20,000	20,000
Reserves	27,589	35,582
	47,589	55,582

12 Results of commercial subsidiaries (continued)

St Elizabeth Care Agency Ltd was set up to deliver paid high quality domiciliary care with profits going to support the work of the Charity. First delivery of services began in June 2013 and the first profit was achieved in the quarter to March 2019. The results for the agency are shown below. During 2019/2020 the Directors of the Care Agency reinforced plans which resulted in the agency continuing to trade profitably.

	2020 £	2019 £
Turnover	578,580	591,167
Cost of sales	(357,251)	(382,967)
Gross profit	221,329	208,200
Administrative expenses	(188,987)	(179,193)
Operating profit	32,342	29,007
Tax on profit	-	38,563
Profit after tax and for the year	32,342	67,570

Balance Sheet

	2020 £	2019 £
Current assets	116,982	126,273
Creditors: amounts falling due within one year	(164,781)	(206,414)
Total net liabilities	(47,799)	(80,141)
Share capital	10,000	10,000
Reserves	(57,799)	(90,141)
	(47,799)	(80,141)

13 Stocks

	Group		Charity	
	2020 £	2019 £	2020 £	2019 £
Bought in goods for resale and consumables	86,345	82,700	8,134	11,899

14 Debtors

	Group		Charity	
	2020 £	2019 £	2020 £	2019 £
Trade debtors	309,556	229,937	240,111	169,527
Other debtors	77,630	54,224	77,630	54,224
Amount due from group undertakings	-	-	120,828	167,740
Prepayments and accrued income	1,612,946	1,051,207	1,612,173	1,051,207
	2,000,132	1,335,368	2,050,742	1,442,698

The increase in prepayments and accrued income mainly relates to amounts due from government grants relating to the effect on the Hospice's income as a result of the coronavirus pandemic.

15 Cash at bank and in hand

	Group		Charity	
	2020	2019	2020	2019
	£	£	£	£
Cash at bank	1,577,408	933,273	1,569,308	906,072
Petty cash	3,219	3,333	3,118	3,233
	<u>1,580,627</u>	<u>936,606</u>	<u>1,572,426</u>	<u>909,305</u>

16 Creditors: amounts falling due within one year

	Group		Charity	
	2020	2019	2020	2019
	£	£	£	£
Trade creditors	143,857	154,775	143,857	154,775
Taxation and social security costs	170,706	160,129	170,706	160,129
Other creditors	96,995	88,072	93,595	84,672
Amount due to group undertakings	-	-	12,849	26,384
Accruals	517,046	465,423	471,584	425,708
Deferred income	250,754	500,369	250,754	500,369
	<u>1,179,358</u>	<u>1,368,768</u>	<u>1,143,345</u>	<u>1,352,037</u>
Deferred income				
Balance at 1 April	500,369	217,295	500,369	217,295
Additional amounts of income deferred	1,007,210	1,139,774	1,007,210	1,139,774
Amount released to income	(1,256,825)	(856,700)	(1,256,825)	(856,700)
Balance at 31 March	<u>250,754</u>	<u>500,369</u>	<u>250,754</u>	<u>500,369</u>

Deferred income relates to advance grant funding, future events and lottery subscriptions paid in advance.

17 Analysis of fund balances current year (Group)

	Fixed assets £	Investments £	Net Current Assets £	Total £
General fund (unrestricted)	-	4,568,524	2,341,053	6,909,577
Designated funds (unrestricted)				
Fixed assets fund	6,137,081	-	-	6,137,081
Improvement fund	-	-	-	-
Service development fund	-	-	64,884	64,884
	<u>6,137,081</u>	<u>4,568,524</u>	<u>2,405,937</u>	<u>13,111,542</u>
Restricted fund	-	-	81,809	81,809
	<u>6,137,081</u>	<u>4,569,524</u>	<u>2,487,746</u>	<u>13,193,351</u>

	Balance at 1 April 2019 £	Income £	Expenditure £	Transfers £	Investment (Losses) £	Balance at 31 March 2020 £
General fund (unrestricted)	6,115,636	12,521,142	(11,788,898)	223,786	(162,089)	6,909,577
Designated funds (unrestricted)						
Fixed assets fund	6,207,688	-	-	(70,607)	-	6,137,081
Improvement fund	566,000	-	(468,235)	(97,765)	-	-
Service development fund	202,000	-	(137,116)	-	-	64,884
Total unrestricted funds	<u>13,091,324</u>	<u>12,521,142</u>	<u>(12,394,249)</u>	<u>55,414</u>	<u>(162,089)</u>	<u>13,111,542</u>
Restricted funds						
Various	126,415	522,573	(511,765)	(55,414)	-	81,809
	<u>13,217,739</u>	<u>13,043,715</u>	<u>(12,906,014)</u>	<u>-</u>	<u>(162,089)</u>	<u>13,193,351</u>

Analysis of fund balances prior year (Group)

	Fixed assets £	Investments £	Net Current Assets £	Total £
General fund (unrestricted)	-	6,024,145	91,491	6,115,636
Designated funds (unrestricted)				
Fixed assets fund	6,207,688	-	-	6,207,688
Improvement fund	-	-	566,000	566,000
Service development fund	-	-	202,000	202,000
	6,207,688	6,024,145	859,491	13,091,324
Restricted fund	-	-	126,415	126,415
	6,207,688	6,024,145	985,906	13,217,739

	Balance at 1 April 2018 £	Income £	Expenditure £	Transfers £	Investment Gains £	Balance at 31 March 2019 £
General fund (unrestricted)	5,780,937	8,925,259	(11,103,163)	2,239,842	182,761	6,115,636
Designated funds (unrestricted)						
Fixed assets fund	6,271,395	-	-	(63,007)	-	6,207,688
Improvement fund	1,500,000	-	-	(934,000)	-	566,000
Service development fund	1,500,000	-	-	(1,298,000)	-	202,000
Total unrestricted funds	15,052,332	8,925,259	(11,103,163)	34,135	182,761	13,091,324
Restricted funds						
Joan Dearing	50,000	-	(50,000)	-	-	-
Various	11,336	480,029	(330,815)	(34,135)	-	126,415
	15,113,668	9,405,288	(11,483,978)	-	182,761	13,217,739

Analysis of fund balances current year (Charity)

	Fixed assets £	Investments £	Net Current Assets £	Total £
General fund (unrestricted)	-	4,598,524	2,341,264	6,939,788
Designated funds (unrestricted)				
Fixed assets fund	6,137,081	-	-	6,137,081
Improvement fund	-	-	-	-
Service development fund	-	-	64,884	64,884
	<u>6,137,081</u>	<u>4,598,524</u>	<u>2,406,148</u>	<u>13,141,753</u>
Restricted fund	-	-	81,809	81,809
	<u>6,137,081</u>	<u>4,598,524</u>	<u>2,487,957</u>	<u>13,223,562</u>

	Balance at 1 April 2019 £	Income £	Expenditure £	Transfers £	Investment (Losses) £	Balance at 31 March 2020 £
General fund (unrestricted)	6,171,595	11,884,160	(11,177,664)	223,786	(162,089)	6,939,788
Designated funds (unrestricted)						
Fixed assets fund	6,207,688	-	-	(70,607)	-	6,137,081
Improvement fund	566,000	-	(468,235)	(97,765)	-	-
Service development fund	202,000	-	(137,116)	-	-	64,884
Total unrestricted funds	<u>13,147,283</u>	<u>11,884,160</u>	<u>(11,783,015)</u>	<u>55,414</u>	<u>(162,089)</u>	<u>13,141,753</u>
Restricted funds						
Various	126,415	522,573	(511,765)	(55,414)	-	81,809
	<u>13,273,698</u>	<u>12,406,733</u>	<u>(12,294,780)</u>	<u>-</u>	<u>(162,089)</u>	<u>13,223,562</u>

Restricted funds:

Restricted funds comprise a number of gifts and donations made towards the Charity's running costs and equipment.

Transfers in the year relate to fixed assets purchased using both restricted and unrestricted funds' in line with restrictions thereon.

Designated funds:

The fixed assets fund was established to reflect the net book value of tangible and intangible fixed assets, thus clearly earmarking those funds which do not form part of the liquid resources available for the day to day operation of the Charity.

It was agreed in 18/19 that the Improvement fund would be returned to general reserves except for £566,000 which relates to the charitable expenditure of the preferred place of care pilot in 19/20, expenditure in the year was £468,235 therefore at the end of 19/20 the remaining balance of £97,765 was returned to general reserves as intended.

It was agreed in 18/19 that the Service Development fund would be returned to general reserves except for £202,000 which related to the funding required for the Young Adult Pilot in 19/20, due to Coronavirus the costs of the pilot were lower than expected, expenditure totalled £137,116, and the balance remains to enable the Young Adult Pilot to continue when guidance allows.

The reserves policy is reviewed each year in the light of the changes in the environment and growth of activities of the Charity. The detailed reserves policy is set out on in the Strategic Report on page 14.

Analysis of fund balances prior year (Charity)

	Tangible fixed assets £	Investments £	Net Current Assets £	Total £
General fund (unrestricted)		6,054,145	117,450	6,171,595
Designated funds (unrestricted)				
Fixed assets fund	6,207,688	-	-	6,207,688
Improvement fund	-	-	566,000	566,000
Service development fund	-	-	202,000	202,000
	<u>6,207,688</u>	<u>6,054,145</u>	<u>885,504</u>	<u>13,147,283</u>
Restricted fund	-	-	126,415	126,415
	<u>6,207,688</u>	<u>6,054,145</u>	<u>1,011,865</u>	<u>13,273,698</u>

	Balance at 1 April 2018 £	Income £	Expenditure £	Transfers £	Investment Gains £	Balance at 31 March 2019 £
General fund (unrestricted)	5,848,671	8,344,645	(10,534,324)	2,329,842	182,761	6,171,595
Designated funds (unrestricted)						
Fixed assets fund	6,271,395	-	-	(63,707)	-	6,207,688
Improvement fund	1,500,000	-	-	(934,000)	-	566,000
Service development fund	1,500,000	-	-	(1,298,000)	-	202,000
Total unrestricted funds	<u>15,120,066</u>	<u>8,344,645</u>	<u>(10,534,324)</u>	<u>34,135</u>	<u>182,761</u>	<u>13,147,283</u>
Restricted funds						
Joan Dearing	50,000	-	(50,000)	-	-	-
Various	11,336	480,029	(330,815)	(34,135)	-	126,415
	<u>15,181,402</u>	<u>8,824,674</u>	<u>(10,915,139)</u>	<u>-</u>	<u>182,761</u>	<u>13,273,698</u>

Restricted funds:

The Joan Dearing fund was a legacy restricted to expenditure relating to hospice equipment or staff.

The other restricted funds comprise a number of gifts and donations made towards the Charity's running costs and equipment.

Transfers in the year relate to fixed assets purchased using both restricted and unrestricted funds' in line with restrictions thereon.

18 Members guarantee

The charitable company has no share capital but is limited by guarantee. Every member of the company is a guarantor and undertakes to contribute to the assets of the charitable company in the event of it being wound up such amounts as may be required. Each guarantor's liability is limited to £1.

19 Pension costs

A number of the charitable company's employees are members of the National Health Service Superannuation Scheme, which is a multi-employer defined benefit scheme funded by contributions from employee and employer. It is not possible to identify each institution's share of the underlying assets and liabilities of the scheme as the scheme is unfunded and therefore, in accordance with FRS102, contributions to the scheme are accounted for as if it were a defined contribution scheme.

Employer's contributions to the scheme were made at the rate of 14.3% and employee contributions ranged from 5.6% to 14.5%.

Certain other employees belong to personal pension plans to which the Charity makes contributions.

The assets of these pension arrangements are held separately from those of the charitable company. The total pension cost charge represents employer's contributions payable by the charitable company to the scheme and plans and amounted to £593,237 (2019 - £505,293). Total amounts outstanding at the year-end amounted to £86,659 (2019 - £74,020) and this amount is included in other creditors (note 16).

20 Financial commitments

As at 31 March 2020, the charitable company had total annual commitments under non-cancellable operating leases as set out below:

	Group and Charity			
	Equipment	Land & buildings		
	2020	2020	2020	2019
	£	£	£	£
Operating lease obligations:				
Within one year	12,119	477,467	489,586	473,250
In one to two years	6,900	399,817	406,717	430,387
In two to five years	20,700	469,440	490,140	714,507
Over five years	2,875	125,688	128,563	269,272
	<u>42,594</u>	<u>1,472,412</u>	<u>1,515,006</u>	<u>1,887,416</u>

The above shop leases represent normal commercial leases and are subject to rent review.

21 Related party transactions

	2020 £	2019 £
Income from related parties:		
Income from costs recharged to subsidiary undertakings	197,668	189,882
Gift aid from subsidiaries	33,182	43,103
Donations from Trustees	8,352	10,394
	<u> </u>	<u> </u>
Costs from related parties	103,238	112,281
Balance due from subsidiary undertaking at 31 March	120,828	167,740
Balance due to subsidiary undertakings at 31 March	12,849	26,384
	<u> </u>	<u> </u>

During the year the sum of £730 (2019: £696) was paid to obtain Trustee Indemnity Insurance in order to protect the Charity from loss arising from the neglect or defaults of its trustees, employees or agents and to indemnify the trustees and other officers against the consequences of any neglect or default on their part.

One (2019: one) close family member of a trustee was employed by the Charity and remuneration totaling £10,632 was paid to them in the year ended 31 March 2020 (2019: £9,637).

22 Financial instruments

The carrying amount of the group's and company's financial instruments measured at fair value through the Statement of Financial Activities as 31 March were:

	Group		Charity	
	2020 £	2019 £	2020 £	2019 £
Instruments measured at fair value through SoFA	4,568,524	6,024,145	4,568,524	6,024,145
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

23 Funds held as agent

The Charity acts as an agent on behalf of the Regional Action Group. £Nil (2019: £Nil) was received on behalf of the Regional Action Group in the year, £3,968 was paid in the year from this fund, on behalf of the Regional Action Group. At the reporting date £2,953 (2019: £6,921) was still being held on their behalf.



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