



Company number: 02805007

**Havens Hospices**  
**Report & Financial Statements**  
**31 March 2021**

## Havens Hospices

### Reference and administrative details

For the year ended 31 March 2021

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<b>Status</b>	The organisation is a charitable company limited by guarantee, incorporated on 30 March 1993 in the UK and registered as a charity in England & Wales on 2 June 1993	
<b>Company number</b>	02805007	
<b>Charity number</b>	1022119	
<b>Registered office and operational address</b>	226 Priory Crescent Southend on Sea Essex SS2 6PR	
<b>Other trading names</b>	<i>Fair Havens, Little Havens, The Heath Centre, Leaves of Life and The J's Hospice</i>	
<b>Trustees</b>	The trustees, who are also directors under company law, who served during the year and up to the date of this report were as follows:  Mr R DeCristofano Mr T Harding FCA Revd C Pegler Mr R Player Mrs M Roberts-Smith Mr B Terry MBA Mr S Turner Mr B Linger Mrs E Mell Mr P Duell Mrs Barbara Armitage  <i>a. Also a Director of Havens Hospices Trading Company Ltd</i> <i>b. Also a Director of Havens Development Company Ltd</i>	
<b>Key management Personnel</b>	Mr S Smith BA (Hons)	Chief Executive Officer
	Ms E Miller RN, Bsc (Hons), Msc Healthcare Leadership (Merit)	Director of Care and Executive Nurse
	Mr T Johnson CMIPD	<i>a.</i> Director of Trading and Income Generation (Resigned June 2021)
	Mr T Abbott BSc	Appointed July 2021

## Havens Hospices

### Reference and administrative details

For the year ended 31 March 2021

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

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### VISION STATEMENT

*Making Every Day Count*

### MISSION STATEMENT

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

### OUR VALUES

- *Care & Compassion*
- *Commitment*
- *Integrity*
- *Community*
- *Courage*

# Havens Hospices

## Report of the trustees

For the year ended 31 March 2021

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The trustees present their report and the audited financial statements for the year ended 31 March 2021.

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

## Objectives and core charitable activities

### Purposes and aims

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

The organisation fulfils its objects by means of the services it provides through Fair Havens and Little Havens hospices, across a range of in-patient and community based services. Fair Havens provides care to the local adult populations in Southend and Castle Point and Rochford. Little Havens provides care and support to children and their families across the county of Essex. The J's provides care and support to young adults throughout Essex. Further details of the care delivered by the charity are set out in pages 5 to 7 of this report.

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

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

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

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

### Use of volunteers

Of the whole organisation's 930 volunteers, 553 work in its 23 charity shops and trading warehouse, with a typical shop having two members of paid staff and, depending on size, an average pool of some 25 volunteers. Volunteers also support paid staff in all areas of the organisation, including care areas, reception, kitchens, gardens, fundraising, administration and finance. Sadly during the pandemic most of our volunteers were unable to work due to COVID restrictions and shop closures. We estimate that during the year the actual number of volunteers who were able to assist during the pandemic was 194. The trustees pay tribute to their invaluable contribution, carrying out essential tasks to enable the organisation to function in an effective and professional way. The number of volunteers disclosed here includes the trustees, some of whom are also directors of the charity's subsidiary companies (see page 2).

The charity estimates that, in the year to March 2021, its volunteers gave some 39,896 hours of time, which - using the valuation method advised by the National Council for Voluntary Organisations - contributed an economic saving to the charity of around £553,756.

# Havens Hospices

## Report of the trustees

For the year ended 31 March 2021

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### Strategic report

#### Strategy

With the onset of the Coronavirus pandemic in February 2020, we revisited our objectives to ensure we were focusing on three key areas; our income, patients, and staff. This shift in the strategic approach was decided as a short-term measure to respond to the societal and economic challenges presented by the pandemic. A review will begin in October 2021 with the aim of establishing a new, forward-looking three year strategy. Our current strategy is to:

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

Havens Hospices Trading Company Ltd operate 23 Charity shops to sell donated goods. This includes online sales for high value items. The Trading Company is a core part of our organisation, raising funds through the sale of donated goods.

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

#### Services provided

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

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

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

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

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

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

# Havens Hospices

## Report of the trustees

For the year ended 31 March 2021

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- ***Making every day count***

Building positive memories is at the heart of “Making every day count”. This is done in various ways depending on the wishes of the patients and their families. Family members and others important to the patient are supported and comforted throughout this process.

- ***Advance care planning***

This is based on open and honest discussions with individual patients about their conditions. Advance care plans are drawn up to enable them and their families to make decisions about the choices they face, and how and where they would like their future care delivered. This is further supported by frequent education programs to ensure staff continue to be competent and confident in their role.

### **Achievements and performance (2020/21) and plans for 2021/22**

The organisation's business plan for the year aimed to further the hospices' core charitable objectives and the trustees' adopted strategic objectives set out on page 5 of this report. The corporate business plan for 2020/21 was revised following the onset of the pandemic to recognise the need to refocus our services on what was achievable. In particular, we refocused our children's and young people's services on home-based care and significantly reduced our adult day hospice services. Our adult end-of-life services responded to the wishes of patients and their families by increasing home-based services and correspondingly reducing in-patient services. At the same time, we remodelled our services to reduce our cost-base and to enable a phased return of services based on patient need.

As we emerge from the pandemic, our business plan for 2021/22 envisages a gradual return of services including adult day hospice (Hub) services and an expanded range of children's and young people's services, maximising our use of the Little Havens facilities to meet the needs of patients and their families. We also aim to secure funding to increase the reach of our well-being services and to complete our succession planning for medical staffing at Fair Havens.

Our staff are our greatest asset and we are committed to supporting and developing them so they can continue to provide excellent outcomes for our patients and their families. The Trustees want to pay tribute to those staff who showed great commitment and flexibility in carrying out existing and revised roles during the pandemic, and to those who left us as we made some difficult decisions in remodelling our services.

### **Beneficiaries of the charity's services: outcomes and impact**

#### ***Adult in-patient***

- Havens Hospices continues to develop the Outcome Assessment and Complexity Collaborative Project (OACC) and training and support for the nursing staff is improving patient outcomes. Work has been underway to embed the Integrated Palliative Outcome Scale (IPOS) framework of assessment and we are now able to report quality metrics and IPOS outcomes for our patients in the IPU and in the Community.
- The number of patients receiving in-patient care varies from year to year depending on the complexity of patient needs and length of stay. Patients with increasingly complex conditions typically require more support from a multi-disciplinary team over a longer stay than less complex or more stable service users, both in the adult and children's hospices. Increasing the number of physiotherapy sessions within the adult in-patient unit has helped support this multi-disciplined approach in assisting with addressing these complex conditions, and to support patients in having their symptoms controlled and returning home following respite stays.

## **Havens Hospices**

### **Report of the trustees**

**For the year ended 31 March 2021**

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Quotes from patients/families:

- “The Fair Havens Care Team have a great, upbeat attitude which has meant everything. I was scared to come into the hospice. Now I'm sad to leave. I always said I wanted to die at home. This stay has changed my mind. The entire time I've spent at Fair Havens, I've felt comfortable, secure and had the attention to my care that I needed.”
- “We now have an extra layer of support with Fair Havens being on board, and I can rest assured that I will achieve my goals for my life and for my end of life – be that at home, or in the hospice.”

#### ***Hospice at Home***

- Hospice at Home has continued to work collaboratively with the CCG Continuing Health Care Team over the year providing the Managed Care Service to patients and families.
- We have developed this service for Southend residents this year, supported by Southend Borough Council.

Quotes from patients/families:

- “Thank you for the care and compassion you showed Jean in the final days of her life. We will always be extremely grateful.”
- “She was nervous of having people into the house but when the girls came in, they put her at ease and cared for her husband. She couldn't speak highly enough of them, so they were so caring and always maintained dignity.”

#### ***Children's in-patient and community services***

- At Little Havens, the continued parent and carer forums have allowed the hospice to open up dialogue between the care staff and those using the service, so that their feedback can contribute to key decisions.
- Feedback revealed that the preparation required to bring a child to the hospice can be significant, so does not suit everyone. There has since been an increase in its planned day stays and activities, and a range of bookable activities such as use of the garden, pool or sensory room have been made available.
- The children's hospice at home team have supported several families whose wish it was for their child to die at home. The team provide care pre and post bereavement to the whole family.
- The range of activities offered in the building and in the community has increased – both face to face and virtual activities, with really positive feedback.
- Services have been re-modelled using evidence-based referral criteria and holistic assessments of patient needs.

Quotes from patients/families:

- “Little Havens understand my son's needs, they're enthusiastic to helping us get the best out of his life, and everything is tailored to allow us to do that.”
- “Everything we could possibly need is here, plus that added touch of magic which makes Little Havens what it is.”

#### ***Education, training and development***

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

# Havens Hospices

## Report of the trustees

For the year ended 31 March 2021

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### Financial review

The trustees are pleased to present the financial results for the year which show a net surplus of £2,763k (2020: £4,212k).

Total gross income for the year was £12,907k, 12.5% below the £14,751k received in the previous year. Of this, total, income from donations and legacies, net of the associated costs of generating this income, totalled £5,933k (2020: £5,984k).

Trading activities generated £908k of net income, 54% below the £1,678k produced in 2020. This was as a direct result of COVID. The Charity's 23 shops were closed during the lockdown periods. The weekly hospice lottery continued, however challenge style fundraising events were also impacted due to COVID.

The Charity received a "one off" donation of £1,000,000 in the year from a Corporate Donor. The Charity also received numerous donations from both new and existing donors, many of whom gave frequently significant amounts.

The Trustees would like to thank the many friends and supporters of Havens Hospices for their donations and bequests. They would also like to thank the thousands of volunteers who give their time so generously. Income derived from charitable activities was generated from statutory sources, which in 2020 totalled £2,391k (2020: £1,971k).

Total expenditure on charitable activities for the year was £6,988k (2020: £6,596k).

The charity did not generate any realised gains on its investment portfolios, these have all been liquidated (2020: £nil). There were no unrealised losses in the period (2020: £nil).

The charity's cash position increased over the year with £1,701k of cash being held at 31 March 2021 (2020: £810k), in addition to £6,048k of cash investments (2020: £3,752k). The reasons for the £3,187k increase in total cash and cash equivalents are detailed in the Statement of Cash flows on page 20.

### Principal risks and uncertainties

Although the Charity and its subsidiaries have various risks surrounding their operations, going into 2021/22 the main risk for the Charity is still the significant decreased levels of fundraising income following COVID-19. The fundraising landscape has changed and we are developing our Fundraising strategy to adjust to this.

We are innovative in our approach to raising income and are investing into our local communities to raise awareness and support for our work. Following the easing of restrictions we will resume recruitment of Young Ambassadors to represent us in their communities. and increase the use of social media to generate more interest from potential volunteers.

We are finalising our discussions with our local CCGs to develop a succession planning process to ensure that our excellent medical cover continues in the future.

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

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



# Havens Hospices

## Report of the trustees

For the year ended 31 March 2021

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### Investment powers and policy

The trustees' policy for management of cash is to hold funds deemed surplus to immediate operational requirements in a range of interest-bearing term deposit accounts with differing maturity dates, spread across high-quality UK banks or building societies to mitigate risk.

At 31 March 2021, a total of £6,048k (2020: £3,752k) was held in bank or building society deposits due to mature in more than three months but less than two years, which are classified in these accounts as current asset investments, and £1,701k held in deposits of three months' notice or less, including instant access accounts (2020: £810k), which are classified in these accounts as cash in hand and at bank.

### Ethical investment policy

This policy states that Trustees will not invest directly in a company if it carries out activities which are directly contrary to the charity's purposes and, therefore, against its interests and those of its beneficiaries. Our current plans are to spend surplus funds within 2-5 years on expanded patient services, and therefore all funds are invested in cash deposits.

### Reserves policy and going concern

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

The charity's overall reserves increased this year by £2,763k as a result of the net surplus (2020: £4,212). Of this, £nil related to funds donated during the year that are restricted to *new Fair Havens* (2020: £2,643k). All designated funds are excluded from the trustees' computation of the organisation's free reserves. Free reserves at March 2021 were, therefore, £7,702k, an increase of £3,457k on the previous year (2020: £4,245k).

Free reserves at 31 March 2021 represent more than seven months' expenditure. Our current reserves policy requires 3 months expenditure. In the event that the free reserves fall below £3,000,000, the income and expenditure will be reviewed and cost savings implemented to reach the four-year plan to March 2025.

COVID will continue to have an impact on expected future income. The Charity currently reviews, periodically, income and expenditure for the current year ending March 2022 and forecast through to March 2025. Having reviewed the post COVID and strategic risks facing the charity, the budget and business plan for the periods 2021 to 2022 and the overall cash levels held, the trustees consider that sufficient reserves are held at 31 March 2021 to manage those risks successfully.

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

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

### Streamlined Energy and Carbon Reporting (SECR)

Under the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018, Havens Hospices is mandated to disclose our UK energy use and associated greenhouse gas (GHG) emissions. As a minimum Havens Hospices is required to report those GHG emissions relating to natural gas, electricity and transport fuel, as well as an intensity ratio under the Streamlined Energy & Carbon Reporting (SECR) Regulations.

The period covered under the report for the purposes of the Streamlined Energy & Carbon Reporting Regulations is the last Havens Hospices financial year, 1 April 2020 to 31 March 2021.

Havens Hospices will be using the data collated for this year's report as the base year for future reporting. As and when Havens Hospices is able to improve on the collection of data relating to GHG emissions, the base year will be amended to include new data.

# Havens Hospices

## Report of the trustees

For the year ended 31 March 2021

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### Scope of report

The scope covered under this report includes:

- Permanent premises related energy use – natural gas consumption (scope 1), UK electricity (scope 2) and energy related transmission & distribution (scope 3).
- Transport – Fuel purchased for rented vehicles by Havens Hospices (Scope 1) and private staff and volunteer mileage (Scope 3).

### Quantification and reporting methodology

Havens Hospices has complied with ESOS Phase 2 and has established internal methodology for collating energy and transport usage data. In assessing which GHG emissions to report on for the purposes of SECR, Havens Hospices has followed the 2013 (updated 2019) UK Government environmental reporting guidance and has used the 2019 UK Government GHG Conversion Factors for Company Reporting in the calculation of reported figures.

### Energy efficiency actions and targets

Havens Hospices is committed to identifying opportunities for energy savings across the business. Havens Hospices is reviewing and begun to implement the continued replacement of life-expired light fittings with new LED systems.

Havens Hospices has made use of digital meeting tools in the response to the Coronavirus pandemic. As our working patterns evolve over the next reporting period, we will continue to use digital meeting tools to reduce employee travel with the expectation that this will also reduce energy use within our premises. Havens Hospices is pleased to report that directly purchased electricity for all Havens Hospices premises now comes from renewable energy sources.

Element	2020-2021 (tCO2e)
Gas consumption – at premises where Havens Hospices holds control over metering and invoicing (SCOPE 1)	49.434
Owned Transport – for vehicles rented by ORGANISATION NAME for work purposes (SCOPE 1)	87.421
UK Electricity – at premises where ORGANISATION NAME holds control over metering and invoicing (SCOPE 2)	301.210
TOTAL (tCO2e) SCOPE 1 & 2	438.066

Element	2019-2020 (tCO2e)
Gas consumption – at premises where Havens Hospices holds control over metering and invoicing (SCOPE 1)	149.70
Owned Transport – for vehicles rented by ORGANISATION NAME for work purposes (SCOPE 1)	45.50
UK Electricity – at premises where ORGANISATION NAME holds control over metering and invoicing (SCOPE 2)	198.60
TOTAL (tCO2e) SCOPE 1 & 2	393.80

### Looking forward to 2021-22

The Trustees have gone through a significant period of change where they have reviewed responsibilities, committee structures, established and completed activities within the Governance Code action plan, and are now in the process of recruiting new Trustees as part of a succession planning exercise. In 2021/22 Trustees will be working with the leadership team on the development and execution of a new long-term strategy.

We are now working with our stakeholders to review our care services for both adult and children and young people and will develop our service offer in response to these consultations. We have strengthened relationships with our healthcare partners, joining clinical networks to ensure palliative and end of life care is on the agenda at a local and regional level.

We have embarked upon an organisational development plan to improve our workplace culture, and this will continue throughout 2021/22. Our aim is to enable staff to engage with the organisation and improve our support

# Havens Hospices

## Report of the trustees

**For the year ended 31 March 2021**

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systems for staff with a focus on their wellbeing and recovery from the effects of the pandemic. Longer term, we hope to develop a positive staff culture that is felt at the first point of contact with the organisation.

Fundraising remains a concern, and we hope that the removal of restrictions on 19th July 2021 will enable some traditional methods of fundraising to return. In parallel, we have increased our digital fundraising methods and employed a new Director of Income Generation and Head of Trading.

Our membership base is expected to remain static throughout the period and we are keen to involve our members in the strategy development process.

### **Structure, governance and management- Section 172 of Companies Act 2006**

#### **Directors and trustees**

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

Acting in accordance with Section 172 of the Companies Act 2006 ('Duty to promote the success of a company') Havens Hospices Trustees consider that they have complied with their duties in regard to Section 172 of the Companies Act 2006 by promoting the Charity's success in achieving its charitable purpose: offering the best possible palliative and supportive care, Havens Hospices' company directors are also the trustees of Havens Hospices, and in line with the charity's governing document, they are referred to as "the trustees" in this document. Collectively, they constitute the organisation's governing body.

Long-term consequences of decisions -refer to Principal risks and uncertainties on page 9.

Interest of employees – refer to Employee involvement on page 14 / 15.

Impact on the community and the environment refer to Services Provided on pages 5-7.

Acting fairly between members - The Trustees act in good faith to promote the success of the Charity to achieve its charitable objectives. Refer to Objectives and Core Charitable Activities on page 4.

#### **Appointment of trustees**

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

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

#### **Induction and training of trustees**

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

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

# Havens Hospices

## Report of the trustees

For the year ended 31 March 2021

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

### Governance

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

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

During the period covered by this report, the Trustees continued to review and apply the recommended practice guidance in the Charity Commission Governance Code for larger charities, including amendments made to the Code in 2020. We are committed to implement the new guidance on equality, diversity and inclusion and have taken steps to ensure that we are able to apply the guidance in full in the coming year.

### Related parties and relationships with other organisations

At 31 March 2021 the charity had two wholly owned subsidiaries:

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

Havens Development Company Limited – design and build new Fair Havens (now dormant)

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

### Remuneration policy for key management personnel

The trustees have identified the Leadership Team as the key management personnel of the charity. The Chief Executive's pay is determined by the Governance Committee. The remuneration of other Leadership Team members is determined by the Chief Executive in consultation with the Governance Committee. In line with the remuneration policy for all staff, decisions about leadership pay are informed by market testing of salaries and are subject to affordability.

### Employee Involvement and Employing People with Disabilities

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

### Employee involvement

We are committed to transparency in our work and to include employees in our decision. We communicate with employees through day to day line management, internal publications including our monthly NIB and by email.

During the year an Equality, Diversity and Inclusion steering group was established, facilitated by our Spiritual Team Lead; membership of the group was widely publicised and was not by appointment. The National Centre for Diversity (NCFD) were employed to undertake a survey across the organisation to benchmark our commitment to the principles of Equality, Diversity, and Equality. Havens Hospices are now in the NCFD's top 100 most inclusive workplaces.

# Havens Hospices

## Report of the trustees

For the year ended 31 March 2021

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A great deal of time is spent on internal communication with staff; the Trustees are aware that in an organisation as diverse as Havens Hospices it is vital that all staff are aware the range of services the organisation provides. It was decided, following on the pandemic, to increase communication with all staff, including those on furlough about what was happening in each department, and highlighting wellbeing resources.

As part of this the Leadership Team sends out regular updates on items discussed at their team meeting to keep staff in the loop on all items under discussion.

### Fundraising

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

Havens Hospices is a local charity, and most voluntary income comes from local people and organisations. In 2020/2021 many of our traditional events were impacted by the restrictions in place because of the Covid-19 pandemic, however many thousands of people across Essex continued to support Havens Hospices through virtual events such as Quiz Nights and virtual runs or organised their own event in aid of the charity, others made cash donations through the website, over the phone or at collections points. Over 18,500 people played the Hospice's Weekly Draw or supported the charity through regular gifts, our 23 charity shops continued to receive a good level of donations, but were also impacted by periods of closure through the pandemic. Local and London based companies supported the work of the charity through direct giving, through partnerships with the umbrella bodies for hospice care, Together for Short Lives (TfSL) and Hospice UK.

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

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

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

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

The charity received 1 complaint between April 2020 and March 2021 relating to fundraising activity. This was investigated in line with our Complaints policy; and has been resolved and is now closed.

### Statement of responsibilities of the trustees

The trustees (who are also directors of Havens Hospices for the purposes of company law) are responsible for preparing the report of the trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

# Havens Hospices

## Report of the trustees

For the year ended 31 March 2021

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In preparing these financial statements, the trustees are required to:

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

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

In so far as the trustees are aware:

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

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

### Auditors

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

The trustees' annual report which includes the strategic report has been approved by the trustees on 24 September 2021 and signed on their behalf by

Elisabeth Mell - Chair

## **Independent auditor's report**

**to the members of**

**Havens Hospices**

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### **Opinion**

We have audited the financial statements of Havens Hospices (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2021 which comprise the consolidated statement of financial activities, the group and parent charitable company balance sheets, the consolidated statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 of the parent charitable company's affairs as at 31 March 2021 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- Have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011

### **Basis for opinion**

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

### **Conclusions relating to going concern**

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

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

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

### **Other Information**

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

## **Independent auditor's report**

**to the members of**

**Havens Hospices**

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rise to a material misstatement in the group financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### **Opinions on other matters prescribed by the Companies Act 2006**

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

- The information given in the trustees' annual report, including the strategic report, the financial year for which the financial statements are prepared is consistent with the financial statements
- The trustees' annual report, including the strategic report, has been prepared in accordance with applicable legal requirements

### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the group and the parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report, including the strategic report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and Charities Act 2011 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 set out in the trustees' annual report, the trustees (who are also the directors of the parent charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

### **Auditor's responsibilities for the audit of the financial statements**

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

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



## **Independent auditor's report**

**to the members of**

**Havens Hospices**

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or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

### **Capability of the audit in detecting irregularities**

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

- We enquired of management, and fundraising and finance committee, which included obtaining and reviewing supporting documentation, concerning the group's policies and procedures relating to:
  - Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;
  - The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We inspected the minutes of meetings of those charged with governance.
- We obtained an understanding of the legal and regulatory framework that the group operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the group from our professional and sector experience.
- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- We reviewed any reports made to regulators.
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

## **Independent auditor's report**

**to the members of**

**Havens Hospices**

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A further description of our responsibilities is available on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](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 and section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume 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.

Fleur Holden (Senior statutory auditor)  
19 November 2021  
for and on behalf of Sayer Vincent LLP, Statutory Auditor  
Invicta House, 108-114 Golden Lane, LONDON, EC1Y 0TL

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

## Havens Hospices

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

For the year ended 31 March 2021

		2021			2020		
	Note	Restricted £000's	Unrestricted £000's	Total £000's	Restricted £000's	Unrestricted £000's	Total £000's
<b>Income from:</b>							
Donations and legacies	2	2,289	4,716	<b>7,005</b>	2,918	4,626	<b>7,544</b>
Charitable activities:							
Adult hospice	3	-	980	<b>980</b>	-	762	<b>762</b>
Adult community services		-	228	<b>228</b>	58	648	<b>706</b>
Children's hospice		408	458	<b>866</b>	396	107	<b>503</b>
Children's community services		59	258	<b>317</b>	-	-	<b>-</b>
		<u>467</u>	<u>1,924</u>	<u><b>2,391</b></u>	<u>454</u>	<u>1,517</u>	<u><b>1,971</b></u>
<b>Raising Funds</b>							
Trading activities	4	798	2,194	<b>2,992</b>	1,011	3,050	<b>4,061</b>
Other Income	5	10	509	<b>519</b>	28	1,147	<b>1,175</b>
<b>Total income</b>		<u><b>3,564</b></u>	<u><b>9,343</b></u>	<u><b>12,907</b></u>	<u><b>4,411</b></u>	<u><b>10,340</b></u>	<u><b>14,751</b></u>
<b>Expenditure on:</b>							
<b>Raising funds</b>							
Fundraising costs		81	991	<b>1,072</b>	130	1,430	<b>1,560</b>
Trading activities		991	1,093	<b>2,084</b>	1,008	1,375	<b>2,383</b>
Charitable activities:							
Adult hospice		2,089	1,222	<b>3,311</b>	148	2,541	<b>2,689</b>
Adult community services		-	1,049	<b>1,049</b>	-	1,588	<b>1,588</b>
Children's hospice		-	1,954	<b>1,954</b>	280	1,837	<b>2,117</b>
Children's community services		674	-	<b>674</b>	202	-	<b>202</b>
		<u>2,763</u>	<u>4,225</u>	<u><b>6,988</b></u>	<u>630</u>	<u>5,966</u>	<u><b>6,596</b></u>
<b>Total expenditure</b>		<u><b>3,835</b></u>	<u><b>6,309</b></u>	<u><b>10,144</b></u>	<u><b>1,768</b></u>	<u><b>8,771</b></u>	<u><b>10,539</b></u>
<b>Net (expenditure) / income for the year</b>	6	(271)	3,034	<b>2,763</b>	2,643	1,569	<b>4,212</b>
Transfers between funds	28, 29	-	-	-	(4,883)	4,883	-
<b>Net movement in funds</b>		<u><b>(271)</b></u>	<u><b>3,034</b></u>	<u><b>2,763</b></u>	<u><b>(2,240)</b></u>	<u><b>6,452</b></u>	<u><b>4,212</b></u>
<b>Reconciliation of funds:</b>							
Total funds brought forward	28, 29	377	22,332	<b>22,709</b>	2,617	15,880	<b>18,497</b>
<b>Total funds carried forward</b>	28, 29	<u><b>106</b></u>	<u><b>25,366</b></u>	<u><b>25,472</b></u>	<u><b>377</b></u>	<u><b>22,332</b></u>	<u><b>22,709</b></u>

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

# Havens Hospices

## Balance sheets

Company number: 02805007

As at 31 March 2021

	Note	The group		The charity	
		2021 £000's	2020 £000's	2021 £000's	2020 £000's
<b>Fixed assets</b>					
Tangible assets	13	17,664	18,087	17,596	17,957
Investments in subsidiary undertakings	14	-	-	75	75
		<u>17,664</u>	<u>18,087</u>	<u>17,671</u>	<u>18,032</u>
<b>Current assets</b>					
Stocks	16	23	59	-	-
Debtors	17	1,223	1,673	1,073	1,304
Current investment cash deposits	18	6,048	3,752	6,048	3,752
Cash at bank and in hand		1,701	810	1,701	806
		<u>8,995</u>	<u>6,294</u>	<u>8,822</u>	<u>5,862</u>
<b>Liabilities</b>					
Creditors: amounts falling due within one year	19	(1,175)	(1,667)	(901)	(1,582)
		<u>7,820</u>	<u>4,627</u>	<u>7,921</u>	<u>4,280</u>
<b>Net current assets</b>					
<b>Total assets less current liabilities</b>					
		<u>25,484</u>	<u>22,714</u>	<u>25,592</u>	<u>22,312</u>
<b>Provisions for liabilities and charges</b>					
	21	(12)	(5)	-	-
<b>Net assets</b>					
	22, 23, 28, & 29	<u>25,472</u>	<u>22,709</u>	<u>25,592</u>	<u>22,312</u>
<b>Funds</b>					
Restricted funds		<u>106</u>	<u>377</u>	<u>106</u>	<u>377</u>
Unrestricted funds:					
Designated funds:					
Fixed assets reserve		17,664	18,087	17,596	17,957
New adult hospice appeal reserve					
Total designated funds		<u>17,664</u>	<u>18,087</u>	<u>17,596</u>	<u>17,957</u>
General funds		7,702	4,245	7,890	3,978
Total unrestricted funds		<u>25,366</u>	<u>22,332</u>	<u>25,486</u>	<u>21,935</u>
<b>Total funds</b>	28, 29	<u>25,472</u>	<u>22,709</u>	<u>25,592</u>	<u>22,312</u>

Approved by the trustees on 24 September 2021 and signed on their behalf by

Terry Harding - Treasurer

# Havens Hospices

## Consolidated statement of cash flows

For the year ended 31 March 2021

	2021		2020	
	£000's	£000's	£000's	£000's
<b>Cash flows from operating activities:</b>				
<b>Net cash provided by operating activities</b>		<b>3,358</b>		<b>2,942</b>
<b>Cash flows from investing activities:</b>				
Dividends, interest and rents from investments	47		78	
Proceeds from sale of fixed assets	-		1,684	
Purchase of fixed assets	(240)		(8,748)	
Proceeds from withdrawal of cash investment deposits	1,226		490	
Purchase of cash investment deposits	(4,500)		-	
Proceeds from sale of non-cash investments	1,000		-	
<b>Net cash provided by investing activities</b>		<b>(2,467)</b>		<b>(6,496)</b>
<b>Change in cash and cash equivalents in the year</b>		<b>891</b>		<b>(3,554)</b>
Cash and cash equivalents at the beginning of the year		810		4,364
<b>Cash and cash equivalents at the end of the year</b>		<b>1,701</b>		<b>810</b>
<b>Reconciliation of net income to net cash flow from operating activities:</b>				
			<b>2021</b>	<b>2020</b>
			<b>£000's</b>	<b>£000's</b>
<b>Net income reported for the year</b>			<b>2,763</b>	<b>4,211</b>
Depreciation charges			<b>647</b>	<b>207</b>
Dividends, interest and rents from investments			<b>(47)</b>	<b>(67)</b>
Investment management fees			-	-
Profit /( Loss) on sale of fixed assets			<b>8</b>	<b>(1,016)</b>
Decrease in stocks			<b>36</b>	<b>45</b>
(Increase)/ Decrease in debtors			<b>441</b>	<b>(80)</b>
Decrease in creditors			<b>(483)</b>	<b>(367)</b>
(Increase) / Decrease in provisions			<b>(7)</b>	<b>9</b>
<b>Net cash provided by / (used in) operating activities</b>			<b>3,358</b>	<b>2,942</b>
<b>Analysis of cash and cash equivalents:</b>				
		At 1	<b>Net</b>	<b>At 31</b>
		April	<b>cash</b>	<b>March</b>
		2020	<b>flows</b>	<b>2021</b>
		£000's	<b>£000's</b>	<b>£000's</b>
Cash in hand and at bank (total cash and cash equivalents)		<b>810</b>	<b>891</b>	<b>1,701</b>

# Havens Hospices

## Notes to the financial statements

For the year ended 31 March 2021

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### 1. Accounting policies

#### (a) Statutory information

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

#### (b) Basis of preparation and consolidation

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

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

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

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

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

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

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

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

#### (c) Public benefit entity

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

#### (d) Going concern

Havens Hospices reported free reserves at 31 March 2021 of £7,702,000. At the end of June 2022 we have reported deficit of £77,436 against a deficit budget of (£544,861), resulting in a positive variance of £467,425 against budget and cash of £7,749,000 (year end) the trustees consider that there are no material uncertainties about Havens Hospices ability to continue as a going concern. Further details are included in the trustees' report.

## Havens Hospices

### Notes to the financial statements

For the year ended 31 March 2021

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#### 1. Accounting policies (continued)

##### (e) (i) Incoming resources - donations and legacies

Income is included in the SOFA when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received, the income is not deferred and the amount can be measured reliably. Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

Legacy income is recognised at the earlier of receipt or when the charity has been notified of its entitlement, probate has been granted, and estate accounts have been provided enabling the charity to measure the value of its entitlement reliably. Where the criteria for income recognition have not been met for legacies which have been notified to the charity, the income is treated as a contingent asset and the total disclosed in the Notes to these accounts (see Note 2).

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the group has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred. On March 11 2020 the Havens Hospice Trading became eligible for £460,000 of retail hospitality & leisure grants in respect of shops with a rateable value up to £51,000. The income was received in 2020/21 and relates to the period from 1 April onwards. The trustees have opted to recognise the grants in the financial year to 31 March 2021 based on an entitlement date of 1 April 2020 as per the guidance issued by the Department for Business, Energy and Industrial Strategy and as that is the period to which the income relates.

Coronavirus job retention scheme income and other coronavirus support income is recognised when the Charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

##### (ii) Incoming resources - charitable activities

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the group has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

##### (iii) Incoming resources - trading activities

On March 11 2020 the Havens Hospice Trading became eligible for £460,000 of retail hospitality & leisure grants in respect of shops with a rateable value up to £51,000. The income was received in 2020/21 and relates to the period from 1 April onwards. The trustees have opted to recognise the grants in the financial year to 31 March 2021 based on an entitlement date of 1 April 2020 as per the guidance issued by the Department for Business, Energy and Industrial Strategy and as that is the period to which the income relates.

##### (f) Donations of goods and services

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

##### (g) Interest receivable

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

# Havens Hospices

## Notes to the financial statements

For the year ended 31 March 2021

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### 1. Accounting policies (continued)

#### (h) Expenditure and irrecoverable VAT

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

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

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

#### (i) Allocation of support and governance costs

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

#### (j) Pensions

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

#### (k) Operating leases

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

#### (l) Tangible fixed assets and depreciation

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

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

Land is held at cost	- No depreciation
Freehold Buildings	- over 25 to 100 years as appropriate
Fixtures and fittings, furniture, equipment and shop-fit costs	- over 7 years or over useful life if shorter
Motor vehicles	- over 4 years
Computer hardware and software	- over 3 years or over useful life if longer

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

#### (m) Investments

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



# Havens Hospices

## Notes to the financial statements

For the year ended 31 March 2021

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### 1. Accounting policies (continued)

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

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

#### (o) Stocks

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

#### (p) Creditors and provisions

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

#### (q) Funds

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

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

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

Transfers between funds are carried out in order to:

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

#### (r) Taxation

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

## Havens Hospices

### Notes to the financial statements

For the year ended 31 March 2021

2. Income from donations and legacies	Capital restricted £000's	Other restricted £000's	Unrestricted £000's	2021 Total £000's
Donations and voluntary income	-	462	2,989	3,451
Income from Coronavirus Job Retention Scheme	-	-	518	518
Legacies	-	-	1,209	1,209
COVID funding received from Hospice UK	-	1,827	-	1,827
	<b>-</b>	<b>2,289</b>	<b>4,716</b>	<b>7,005</b>
	Capital restricted £000's	Other restricted £000's	Unrestricted £000's	2020 Total £000's
Donations and voluntary income	2,591	327	2,150	5,068
Legacies	-	-	2,476	2,476
	<b>2,591</b>	<b>327</b>	<b>4,626</b>	<b>7,544</b>

Legacy income includes accruals for bequests where the charity has been notified of its entitlement, probate has been granted, and estate accounts or other documents evidencing the estate value have been provided to enable the charity to measure the value of its entitlement reliably. The charity has reviewed the legacy entitlements notified to it and has accrued £201,570.00 (2020: £815,000) in line with this criteria. A total of £870,206 (2020: £609,000) of legacy pipeline which does not meet the new estimation criteria is, however, treated by the charity as a contingent asset at March 2021.

3. Income from charitable activities	Restricted £000's	Unrestricted £000's	2021 Total £000's
CCGs	-	1,924	1,924
NHS England revenue funding	467	-	467
Total income from charitable activities	<b>467</b>	<b>1,924</b>	<b>2,391</b>
	Restricted £000's	Unrestricted £000's	2020 Total £000's
CCGs	-	1,410	1,410
NHS England revenue funding	454	108	562
Total income from charitable activities	<b>454</b>	<b>1,518</b>	<b>1,972</b>
	Restricted £000's	Unrestricted £000's	2021 Total £000's
Charity shops	798	1,149	1,947
Weekly draw subscriptions	-	1,001	1,001
Challenge fundraising events	-	44	44
	<b>798</b>	<b>2,194</b>	<b>2,992</b>

## Havens Hospices

### Notes to the financial statements

For the year ended 31 March 2021

4. Income from trading activities (cont'd)	Restricted £000's	Unrestricted £000's	2020 Total £000's
Charity shops	1,011	1,672	2,683
Weekly draw subscriptions	-	1,091	1,091
Challenge fundraising events	-	287	287
	<u>1,011</u>	<u>3,050</u>	<u>4,061</u>

5. Other Income	Capital restricted £000's	Other restricted £000's	Unrestricted £000's	2021 Total £000's
Training & Staff Meals	-	-	32	32
Investments	-	10	37	47
Disposal Proceeds - Fixed Assets	-	-	(8)	(8)
Insurance Proceeds	-	-	448	448
	<u>-</u>	<u>10</u>	<u>509</u>	<u>519</u>

	Capital restricted £000's	Other restricted £000's	Unrestricted £000's	2020 Total £000's
Training & Staff Meals	-	-	27	27
Investments	-	28	39	67
Disposal Proceeds - Fixed Assets	-	-	1,067	1,067
Insurance Proceeds	-	-	14	14
	<u>-</u>	<u>28</u>	<u>1,147</u>	<u>1,175</u>

6. Net income for the year	2021 £000's	2020 £000's
This is stated after charging/(crediting)		
Depreciation	648	207
Auditors' remuneration:                      Audit	21	21
Tax	5	1
Operating lease rentals payable	471	505
Loss/ (profit) on disposal of fixed assets	<u>8</u>	<u>(1,017)</u>

## Havens Hospices

### Notes to the financial statements

For the year ended 31 March 2021

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

Staff costs incurred during the year were as follows:

	2021 £000's	2020 £000's
Salaries and wages	5,805	5,713
National insurance	491	464
Employer's contributions to pension schemes (see Note 9)	534	524
Redundancy and termination costs	225	-
Payroll related costs	7,055	6,701
Other staff costs	334	291
	<b>7,389</b>	<b>6,992</b>

No trustees received pay or other benefits from the charity in either year, and no trustees received payment for professional or other services supplied to the charity in either year. No trustees claimed expenses for attending to charity business in either year. The value of expenses waived by trustees was not material in either year. The charity paid £708 of premiums in the year for trustee indemnity insurance (2020: £708).

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

	2021 No.	2020 No.
£60,001 - £69,999	2	2
£80,000 - £89,999	1	1

The total employee benefits, including National Insurance and pension contributions, of the key management personnel in the 2021 accounting year were £472,324 (2020: £375,744).

#### 8. Staff numbers

The average number of employees was:

	Headcount		Full time equivalent	
	2021 No.	2020 No.	2021 No.	2020 No.
Adult hospice	76	75	64	64
Adult community services	32	49	26	39
Children's hospice	36	58	28	45
Children's community services	17	-	13	-
Activities for raising income	27	37	22	29
Trading activities	60	58	47	46
Support and governance activities	21	21	20	20
	<b>269</b>	<b>298</b>	<b>218</b>	<b>243</b>

Staff are now employed by the Charity for children's community hospice services, this now also includes the J's services (moved from Adult services). The J's now treats patients from 0 - 25 years, where previously they treated patients from 19 - 40 years in the community.

# Havens Hospices

## Notes to the financial statements

For the year ended 31 March 2021

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### 9. Pensions and benefits

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

The charity also operates an NHS Pension Scheme. The scheme is an unfunded, defined benefit scheme that covers NHS employees, general practices and other bodies, allowed under the direction of the Secretary of State, in England and Wales. The scheme is not designed to be run in a way that would enable each body to identify its share of the underlying scheme assets and liabilities. Therefore the scheme is accounted for as if it were a defined contribution scheme.

Past and present employees are covered by the provisions of the two NHS Pension Schemes. Details of the benefits payable and rules of the Schemes can be found on the NHS Pensions website at [www.nhsbsa.nhs.uk/pensions](http://www.nhsbsa.nhs.uk/pensions). Both are unfunded defined benefit schemes that cover NHS employers, GP practices and other bodies, allowed under the direction of the Secretary of State for Health and Social Care in England and Wales. They are not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, each scheme is accounted for as if it were a defined contribution scheme: the cost to the NHS body of participating in each scheme is taken as equal to the contributions payable to that scheme for the accounting period.

In order that the defined benefit obligations recognised in the financial statements do not differ materially from those that would be determined at the reporting date by a formal actuarial valuation, the FReM requires that "the period between formal valuations shall be four years, with approximate assessments in intervening years". An outline of these follows:

#### a) Accounting valuation

A valuation of scheme liability is carried out annually by the scheme actuary (currently the Government Actuary's Department) as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period, and is accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as at 31 March 2021, is based on valuation data as 31 March 2020, updated to 31 March 2021 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used.

The latest assessment of the liabilities of the scheme is contained in the report of the scheme actuary, which forms part of the annual NHS Pension Scheme Accounts. These accounts can be viewed on the NHS Pensions website and are published annually. Copies can also be obtained from The Stationery Office.

#### b) Full actuarial (funding) valuation

The purpose of this valuation is to assess the level of liability in respect of the benefits due under the schemes (taking into account recent demographic experience), and to recommend contribution rates payable by employees and employers.

The latest actuarial valuation undertaken for the NHS Pension Scheme was completed as at 31 March 2016. The results of this valuation set the employer contribution rate payable from April 2019 to 20.6% of pensionable pay. The 2016 funding valuation was also expected to test the cost of the Scheme relative to the employer cost cap that was set following the 2012 valuation. In January 2019, the Government announced a pause to the cost control element of the 2016 valuations, due to the uncertainty around member benefits caused by the discrimination ruling relating to the McCloud case.

The Government subsequently announced in July 2020 that the pause had been lifted, and so the cost control element of the 2016 valuations could be completed. The Government has set out that the costs of remedy of the discrimination will be included in this process. HMT valuation directions will set out the technical detail of how the costs of remedy will be included in the valuation process. The Government has also confirmed that the Government Actuary is reviewing the cost control mechanism (as was originally announced in 2018). The review will assess whether the cost control mechanism is working in line with original government objectives and reported to Government in April 2021. The findings of this review will not impact the 2016 valuations, with the aim for any changes to the cost cap mechanism to be made in time for the completion of the 2020 actuarial valuations.

## Havens Hospices

### Notes to the financial statements

For the year ended 31 March 2021

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#### b) Full actuarial (funding) valuation (continued)

The combined contributions payable by the group into all pension schemes for the year amounted to £534,000 (2020: £524,000). Contributions of £58,000 (2020: £63,000) were outstanding at the year end and are included in creditors.

In addition, the group contributes to an employee life assurance scheme, for which the contributions payable were £13,470 (2020: £14,863).

#### 10. Related party transactions

Other than the related party transactions between group companies noted below and the transactions disclosed in Note 7 (payments to employee pension schemes and employment benefits paid to key management personnel and to their related parties), there were no other related party transactions requiring disclosure (2020: £nil).

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

During the year, donations were received from trustees totalling £7,793 (2020: 2,596) and from key management personnel of £665 (2020: £495).

The charity also paid its subsidiary company Havens Development (HDCL) £Nil during the year (2020: £7,870,378) for the value of work undertaken by HDCL in the design and build of the planned new adult hospice, and the charity charged HDCL £Nil (2020: £nil) in management fees. HDCL donated its taxable profit of £Nil (2020: £nil) to Havens Hospices. The balance outstanding between these two companies at 31 March 2021 was £234,662 (2020: £449,423) due from the parent charity or from group companies to HDCL.

#### 11. Taxation

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

Available taxable profits in the subsidiaries are donated to the parent charity under gift aid. As a result of this, or due to taxable losses incurred, there were no profits chargeable to corporation tax in any subsidiary company in the 2021 or 2020 tax years.

## Havens Hospices

### Notes to the financial statements

For the year ended 31 March 2021

#### 12. Analysis of expenditure

	Direct costs £000's	Support costs £000's	2021 Total £000's	Direct costs £000's	Support costs £000's	2020 Total £000's
<b>Costs of raising funds</b>						
Fundraising marketing	946	125	1,071	1,417	143	1,560
Trading activities	1,990	97	2,087	2,263	120	2,383
	<u>2,936</u>	<u>222</u>	<u>3,158</u>	<u>3,680</u>	<u>263</u>	<u>3,943</u>
<b>Charitable activities:</b>						
Adult hospice	2,951	399	3,350	2,386	304	2,690
Adult community services	910	139	1,049	1,441	147	1,588
Children's hospice	1,816	230	2,046	1,900	216	2,116
Children's community services	644	30	674	202	-	202
	<u>6,321</u>	<u>798</u>	<u>7,119</u>	<u>5,929</u>	<u>667</u>	<u>6,596</u>
<b>Total expenditure</b>	<u><b>9,257</b></u>	<u><b>1,020</b></u>	<u><b>10,277</b></u>	<u><b>9,609</b></u>	<u><b>930</b></u>	<u><b>10,539</b></u>

Included in the costs above are governance costs of £99,294 (2020: £62,000).

<b>Analysis of support costs</b>	<b>2021 Total £000's</b>	<b>2020 Total £000's</b>
Executive	303	329
Finance	296	255
Human Resources and volunteer services	416	346
	<u>1,015</u>	<u>930</u>

Of total expenditure, £6,697,000 was unrestricted (2020: £8,771,000), and £3,446,000 restricted (2020: £1,768,000).

Support costs cover central service functions which have been allocated to the main activities of the charity on a basis deemed consistent with the use of those resources. In accordance with the requirements of *Charities SORP FRS 102*, governance costs are also apportioned across the organisation's principal activities on a similar basis. The £6,512 of governance costs attributed to the trading subsidiary, Havens Hospices Trading Ltd, are its own (2020: £7,000).

# Havens Hospices

## Notes to the financial statements

For the year ended 31 March 2021

### 13. Tangible fixed assets

#### For the group:

	Freehold land & property £000's	Assets under construction £000's	Furnishings, fittings, computers & equipment £000's	Motor vehicles £000's	Total £000's
<b>Cost</b>					
At 1 April 2020	17,627	-	1,822	66	19,515
Additions in year	-	-	240	-	240
Transfer	-	-	-	-	-
Disposals	-	-	(43)	(31)	(74)
<b>At 31 March 2021</b>	<b>17,627</b>	<b>-</b>	<b>2,019</b>	<b>35</b>	<b>19,681</b>
<b>Depreciation</b>					
At 1 April 2020	698	-	664	66	1,428
Charge for the year	290	-	358	-	648
Disposals	-	-	(26)	(31)	(57)
<b>At 31 March 2021</b>	<b>988</b>	<b>-</b>	<b>996</b>	<b>35</b>	<b>2,019</b>
<b>Net Book Value</b>					
<b>At 31 March 2021</b>	<b>16,639</b>	<b>-</b>	<b>1,023</b>	<b>-</b>	<b>17,662</b>
At 31 March 2020	16,929	-	1,158	-	18,087

#### For the charity:

	Freehold land & property £000's	Assets under construction £000's	Furnishings, fittings, computers & equipment £000's	Motor vehicles £000's	Total £000's
<b>Cost</b>					
At 1 April 2020	17,627	52	1,303	50	19,032
Additions in year	-	-	206	-	206
Transfer	-	-	-	-	-
Disposals	-	-	(23)	(15)	(38)
<b>At 31 March 2021</b>	<b>17,627</b>	<b>52</b>	<b>1,486</b>	<b>35</b>	<b>19,200</b>
<b>Depreciation</b>					
At 1 April 2020	698	-	327	50	1,075
Charge for the year	290	-	270	-	560
Disposals	-	-	(16)	(15)	(31)
<b>At 31 March 2021</b>	<b>988</b>	<b>-</b>	<b>581</b>	<b>35</b>	<b>1,604</b>
<b>Net Book Value</b>					
<b>At 31 March 2021</b>	<b>16,639</b>	<b>52</b>	<b>905</b>	<b>-</b>	<b>17,596</b>
At 31 March 2020	16,929	52	976	-	17,957

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



## Havens Hospices

### Notes to the financial statements

For the year ended 31 March 2021

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#### 14. Fixed Assets Investments

	The group		The charity	
	2021 £000's	2020 £000's	2021 £000's	2020 £000's
Cost of investment in subsidiary undertakings incorporated in the UK	-	-	75	75

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

Havens Hospice Trading Company Limited: £75,100

Havens Development Company Limited: £1

## Havens Hospices

### Notes to the financial statements

For the year ended 31 March 2021

#### 15. Subsidiary undertakings' summarised results

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

#### Summary results for the group:

	HHT	HHT	HDCL	HDCL
	£000's	£000's	£000's	£000's
	2021	2020	2021	2020
Gross turnover	1,001	2,909	-	7,870
Gift aided sales transferred to charity	236	(709)	-	-
Intercompany management charges	30	71	-	-
WIP transferred to charity	-	-	-	(7,870)
Net turnover	1,267	2,271	-	-
Cost of sales	(39)	(58)	-	-
Gross profit	1,228	2,213	-	-
Other operating income	1,278	24	-	-
Administrative expenses	(1,841)	(2,049)	-	-
Profit for the financial year	665	188	-	-
Distribution of profits	(257)	(304)	-	-
Retained profit for the financial year	<b>408</b>	<b>(116)</b>	-	-
The aggregate of the assets, liabilities and funds was:				
Assets	984	583	235	701
Liabilities	(52)	(59)	(235)	(701)
Funds	<b>932</b>	<b>524</b>	-	-

#### 16. Stocks

	The group		The charity	
	2021	2020	2021	2020
	£000's	£000's	£000's	£000's
Bought in goods for resale by trading company	<b>24</b>	59	-	-

# Havens Hospices

## Notes to the financial statements

For the year ended 31 March 2021

### 17. Debtors

	The group		The charity	
	2021	2020	2021	2020
	£000's	£000's	£000's	£000's
Legacies receivable	202	815	202	816
Prepaid expenses	542	307	411	213
Other debtors	86	36	66	12
VAT recoverable	75	407	75	155
Trade debtors	319	108	319	108
	<u>1,224</u>	<u>1,673</u>	<u>1,073</u>	<u>1,304</u>

### 18. Current investment cash deposits comprise:

	The group		The charity	
	2021	2020	2021	2020
	£000's	£000's	£000's	£000's
Bank and building society deposits	6,048	2,752	6,048	2,752
Royal London Asset Management Cash Plus Fund	-	1,000	-	1,000
	<u>6,048</u>	<u>3,752</u>	<u>6,048</u>	<u>3,752</u>

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

### 19. Creditors: amounts due within one year

	The group		The charity	
	2021	2020	2021	2020
	£000's	£000's	£000's	£000's
Deferred income (see Note 21)	311	287	311	287
Accrued expenses	674	503	417	211
Taxation and social security creditors	107	128	107	128
Trade creditors	49	687	31	226
Pension creditors	34	62	34	63
Amounts due to subsidiaries	-	-	670	667
	<u>1,175</u>	<u>1,667</u>	<u>1,570</u>	<u>1,582</u>

### 20. Deferred income

	The group		The charity	
	2021	2020	2021	2020
	£000's	£000's	£000's	£000's
Balance at the beginning of the year	287	311	287	311
Amount released to income in the year	(1,958)	(285)	(1,958)	(285)
Amount deferred in the year	1,982	261	1,982	261
<b>Balance at the end of the year</b>	<u>311</u>	<u>287</u>	<u>311</u>	<u>287</u>

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

# Havens Hospices

## Notes to the financial statements

For the year ended 31 March 2021

### 21. Provisions for liabilities and charges

	The group		The charity	
	2021	2020	2021	2020
	£000's	£000's	£000's	£000's
Balance at the beginning of the year	5	14	-	-
Released, utilised or transferred during the year	7	(9)	-	-
Provisions created during the year	-	-	-	-
<b>Balance at the end of the year</b>	<b>12</b>	<b>5</b>	<b>-</b>	<b>-</b>

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

### 22. Analysis of group net assets between funds: as at 31 March 2021

	Restricted funds	Designated funds	General funds	Total funds
	£000's	£000's	£000's	£000's
Tangible fixed assets	-	17,664	-	17,664
Cash investments	-	-	6,048	6,048
Cash in hand and at bank	106	-	1,595	1,701
Other net current assets	-	-	59	59
<b>Net assets at end of year</b>	<b>106</b>	<b>17,664</b>	<b>7,702</b>	<b>25,472</b>

### 23. Analysis of group net assets between funds comparisons: as at 31 March 2020

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

# Havens Hospices

## Notes to the financial statements

For the year ended 31 March 2021

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### 24. Operating lease commitments

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

	Land and property		Motor vehicles, printers and photocopiers	
	2021 £000's	2020 £000's	2021 £000's	2020 £000's
Total minimum leases payments falling due:				
In the year following the balance sheet date	415	415	20	16
In years two to five	690	643	11	16
	<u>1,105</u>	<u>1,058</u>	<u>31</u>	<u>32</u>

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

	Land and property		Motor vehicles, printers and photocopiers	
	2021 £000's	2020 £000's	2021 £000's	2020 £000's
Total minimum leases payments falling due:				
In the year following the balance sheet date	415	415	12	12
In years two to five	690	643	3	16
	<u>1,105</u>	<u>1,058</u>	<u>15</u>	<u>28</u>

# Havens Hospices

## Notes to the financial statements

For the year ended 31 March 2021

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### 25. Operating lease commitments (continued)

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

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

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

### 26. Capital commitments

There are no capital commitments at the year end (2020: £nil).

### 27. Purpose of restricted and designated funds

#### a) Purpose of restricted funds:

##### ***New Fair Havens (NFH) - capital appeal***

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

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

##### ***Fair Havens - other / Little Havens - other***

These represent funds restricted to use within the existing adult or children's hospice respectively. As the day to day operating costs of the hospices generally exceed the value of these restricted gifts, the balance at each year end normally represents just those funds which are restricted to specific purposes within the adult or children's hospice which have not been spent at 31 March 2021.

##### ***Little Havens - Martha McGilda trust***

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

##### ***Little Havens - NHS England revenue grant***

This represents funding received annually from NHS England's transitional grant which replaced the former Section 64 grant for children's hospices, pending finalisation and implementation of a proposed new palliative care currency and associated tariff. The income is restricted and can not be used to finance fundraising activities. The grant is spent out each year on the specified purpose of providing hospice services to children in the Essex community, and the level of grant has been agreed in advance by NHS England to remain at the present value until 31 March 2021.

# Havens Hospices

## Notes to the financial statements

For the year ended 31 March 2021

### b) Purpose of designated funds:

#### **Fixed assets reserve**

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

This fund includes £12,412,000 for the construction of the new adult hospice (2020 £12,412,000). This project is now complete.

### 28. Movement in funds: year ended 31 March 2021

	At the start of the year £000's	Incoming resources and gains £000's	Outgoing resources and losses £000's	Transfers £000's	At the end of the year £000's
<b>Restricted funds:</b>					
<i>Fair Havens adult hospice</i>					
Other	282	261	(261)	-	<b>282</b>
	<u>282</u>	<u>261</u>	<u>(261)</u>	<u>-</u>	<u><b>282</b></u>
<i>Little Havens children's hospice</i>					
Martha McGilda trust	6	-	(1)	-	<b>5</b>
NHS England revenue grant	-	-	-	-	-
Other	84	1,476	(1,746)	-	<b>(186)</b>
	<u>90</u>	<u>1,476</u>	<u>(1,747)</u>	<u>-</u>	<u><b>(181)</b></u>
<i>Other restricted funds</i>	5	1,827	(1,827)	-	<b>5</b>
<b>Total restricted funds</b>	<b><u>377</u></b>	<b><u>3,564</u></b>	<b><u>(3,835)</u></b>	<b><u>-</u></b>	<b><u>106</u></b>
<b>Unrestricted funds:</b>					
<b>Designated funds:</b>					
Fixed assets reserve	18,087	-	(423)	-	<b>17,664</b>
New adult hospice appeal reserve	-	-	-	-	-
<b>Total designated funds</b>	<b><u>18,087</u></b>	<b><u>-</u></b>	<b><u>(423)</u></b>	<b><u>-</u></b>	<b><u>17,664</u></b>
General funds	4,245	9,343	(5,886)	-	<b>7,702</b>
<b>Total unrestricted funds</b>	<b><u>4,245</u></b>	<b><u>9,343</u></b>	<b><u>(6,309)</u></b>	<b><u>-</u></b>	<b><u>25,366</u></b>
<b>Total funds</b>	<b><u>22,709</u></b>	<b><u>12,907</u></b>	<b><u>(10,144)</u></b>	<b><u>-</u></b>	<b><u>25,472</u></b>

# Havens Hospices

## Notes to the financial statements

For the year ended 31 March 2021

### 29. Movement in funds comparisons: year ended 31 March 2020

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

### 30. Legal status of the charity

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

The 109 members of the charitable company at 31 March 2021 (2020: 116) include the trustees, as named on page 2.

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