

**Charity Registration No. 1079638**

**Company Registration No. 03677413 (England and Wales)**

**THE MICHAEL SOBELL HOSPICE CHARITY**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2021**

# THE MICHAEL SOBELL HOSPICE CHARITY

## LEGAL AND ADMINISTRATIVE INFORMATION

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<b>Chair</b>	Mr M Breen	
<b>Head of Charity &amp; Income Generation</b>	Ms L Skipper Ms C Cole	(From December 2020) (Interim from June 2020 to December 2020)
<b>Trustees/ Directors</b>	Mr M Breen Ms R Williams Mr J Sandercock Mr I Chandler Mr B Horton Mr M Golinsky Mr K Kuhanandan	     (Appointed 28 October 2020) (Appointed 28 October 2020)
<b>Treasurer</b>	Mr K Kuhanandan	(Appointed 28 October 2020)
<b>Charity number</b>	1079638	
<b>Company number</b>	03677413	
<b>Registered office</b>	Michael Sobell Hospice Mount Vernon Hospital Rickmansworth Road Northwood Middlesex HA6 2RN	
<b>Auditor</b>	RDP Newmans LLP Lynwood House 373-375 Station Road Harrow Middlesex HA1 2AW	

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# THE MICHAEL SOBELL HOSPICE CHARITY

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# THE MICHAEL SOBELL HOSPICE CHARITY

## CHAIRMAN'S STATEMENT

### FOR THE YEAR ENDED 31 MARCH 2021

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In writing this Annual Statement, I am proud to reflect upon the achievements of our Charity and the Hospice in what has been another challenging and difficult year for the whole Country due to the continuing Covid-19 pandemic. It is almost two years since our wonderful Hospice reopened to provide exceptional palliative and end of life care. Since then the clinical team has worked tirelessly to ensure that this vital service within our local community was able to continue, despite the devastating effects of the pandemic.

The amazing Hospice staff rose to the challenges of these uncertain times, often working long hours in extremely difficult situations to care for patients, including those with Covid-19 isolated in a designated part of the Hospice. Throughout these troublesome times for everyone, the Charity was continually encouraged by the unwavering commitment received from loyal supporters, employees and our amazing band of volunteers. Even though it was impossible to see anyone, as so much time was spent in 'lockdown', we were all heartened by the ongoing support to the Hospice and our Charity. My sincere thanks are, once again, conveyed to every single one of you - we could not do what we do without you and your belief in the very special place that is Michael Sobell Hospice.

A huge thank you to local businesses, schools, individuals and community groups who donated much needed PPE and other gifts to the Hospice and its staff over the last year.

Since our last Annual Report, the Board of Trustees has welcomed two new members, Mark Golinsky (a retired solicitor) and Kuhan Kuhanandan (an accountant). Kuhan has also taken on the important role of Treasurer for the Charity. The Board will be continuing to recruit additional Trustees to strengthen and develop the expertise of this supporting team. I am also delighted to report that we appointed a new Head of Charity in December 2020, Liz Skipper. Liz has a wealth of charity experience and will be a considerable asset to the Charity in developing and implementing our vitally important fundraising strategy for the future.

Thank you to everyone who has continued to do whatever you could to organise and participate in activities to raise funds for the Charity during such an uncertain year.

Due to lockdowns and the various restrictions imposed upon us all, the Fundraising Team were unable to organise our usual programme of "live" events. However, the Charity kept in touch with supporters through e-newsletters and were able to set up a series of virtual quizzes throughout the year, which proved to be very popular. Our Ladies in the Night event became the much smaller Ladies Around the Block! Thank you to everyone who participated in all these events, which helped us to continue raising essential funds to keep our Hospice open. Sadly, our Annual Light Up A Life Ceremony on 6 December 2020 also had to become a virtual celebration, but it was truly heart-warming to see that so many people joined us to share in this special event and viewed the proceedings online.

### CURRENT UPDATE SINCE 1 APRIL 2021

The Charity's Partnership with Harlington Hospice continues to develop and build upon the good foundations established last year and collaboration between the two Charities is progressing well.

In the year to 31 March 2021, the IPU cared for 189 people with an average occupancy rate of 82% (10 beds). The new Wellbeing Service supported 44 individuals (Covid reduced).

The MSHC Board of Trustees would like to formally thank Harlington Hospice Association for their incredible clinical support during what has been an extraordinarily difficult year due to the Covid-19 pandemic. The amazing staff have continued to provide continuous first-class levels of care to patients with life-limiting illnesses in the local community.

### Remote Support and Wellbeing Service

Thanks to a Covid-19 grant from the London Community Response Fund, supplemented by the ongoing funding from the Charity's Hospice Lottery Partnership and general fundraising activities, the Hospice has been able to set up a new Remote Support and Wellbeing Service and develop a programme of virtual events to support patients and the wider community. We were also able to invest in new technology such as tablets, cameras and audio-visual equipment to help patients stay connected with each other, as well as our therapeutic team. This innovative Remote Support and Wellbeing Service is a partnership between MSHC and Harlington Hospice and has become an essential part of the palliative care provided. We hope it will continue to have many positive benefits for our patients and their families during the next year and beyond, as we continue to develop the service

# THE MICHAEL SOBELL HOSPICE CHARITY

## CHAIRMAN'S STATEMENT

**FOR THE YEAR ENDED 31 MARCH 2021**

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and slowly return to including face to face activities.

### **Virtual Reality 'Tours' for Hospice Patients**

Following a fundraising appeal, the Charity was able to provide Virtual Reality equipment, which gives patients a chance to escape to places and activities to create a space for reminiscing and storytelling. It has been incredible for patients to be able to experience 'memories' of places, travel and exploration in a very real way.

### **Retail Operation**

In a new collaboration believed to be the first in the country, MSHC joined forces to change the face of High Street Charity shopping with Harlington Hospice and Age UK (Hillingdon, Harrow and Brent). Following consultation with staff and volunteers, and meetings between the three charities, we now share resources and expertise to make our charity shops as cost effective as possible and improve the shopping experience for customers. This new partnership forged ahead despite lockdown (during which time all charity shops were closed and staff furloughed). All three charities have retained the individual branding on their shop fronts, but will share the costs of management, HR, finance and other support functions. Our small warehouse has also been established as the Hub for a 'budding' e-Bay operation to raise funds for the three charities.

*We are delighted to be working as part of this new partnership. All three charities have experience and resource that can be shared to make every pound our supporters donate go even further - in our case to support local people with life limiting illnesses and their families.*

The Charity was finally able to reopen its two Charity shops in Northwood and Eastcote, which had unfortunately been closed for much of 2020. A big thank you to all our Retail staff, amazing volunteers and loyal customers for their continued support and commitment in raising funds for our Charity and the Hospice.

The amazing community ambassadors that are our dedicated book stall volunteers have also been able to fully resume their weekly market stalls (Amersham and Chesham), having only been able to operate intermittently between lockdowns to raise essential funds and represent the Charity.

### **Hospice Lottery Partnership**

The Charity's long-term alliance with the Hospice Lottery Partnership (HLP) is another vital source of funds and has contributed £217,852 to our Charity over the last year. Our sincere thanks go to everyone who is a member of HLP and to those who purchase HLP's weekly lottery tickets - your ongoing support is very much appreciated.

### **Tribute**

I would now like to include a moment of remembrance for Doug Edmonds, one of the Charity's Trustees who passed away in September 2021. Both Michael Sobell Hospice and the Charity owe an enormous debt of gratitude to Doug for everything that he undertook over his many years of dedicated service to the Sobell Bridge Club, the Charity and the Hospice. Doug's dedication, strength of character and unwavering allegiance to Michael Sobell Hospice will never be forgotten and he is already sorely missed by us all.

### **Special Thank You**

I would also like to take this opportunity to, once again, officially convey our sincere thanks to the Clinical Commissioning Group, Hillingdon NHS Trust and all the Mount Vernon Hospital site team for their continuing support to our Charity.

### **Personal Thank You**

I am honoured to continue as Chair of the Michael Sobell Hospice Charity and on behalf of all the Trustees, everyone at the Hospice and the Charity, I would like to say another huge THANK YOU! We certainly could not manage without your extraordinary loyalty and continued support.

**Mr M Breen**

Chairman

Dated: 22 December 2021

# **THE MICHAEL SOBELL HOSPICE CHARITY**

## **TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) FOR THE YEAR ENDED 31 MARCH 2021**

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

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's Memorandum and Articles of Association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)".

### **Objectives and activities**

The key element of the Charity's work is to provide ongoing funding to support palliative and end of life care for patients in our locality. Michael Sobell Hospice has been providing care for over 43 years for people in its catchment area. The Charity raises funds needed to provide a range of support for the clinical services at Michael Sobell Hospice, providing relief and palliative care to patients, former patients and their families. Michael Sobell Hospice is the hospice and centre for palliative care at Mount Vernon Hospital. The Hospice provides inpatient and day care and is a centre of excellence for specialist services, enhancing without discrimination the care of patients with life limiting illnesses and support for their families and carers.

In shaping our objectives for the year and planning our activities, the Trustees have considered the Charity Commission's guidance on public benefit, including the guidance 'Public benefit: running a Charity (PB2)'. The Charity relies on a number of income streams including grants, retail outlets, events and fundraising activity. In addition, we rely on donations, gifts in memory, regular giving, corporate support, legacies and grants. We endeavour, through a wide range of communication methods, to encourage our local community to take part in our activities and to attend our events to support our intentions.

### **Volunteers at Michael Sobell Hospice Charity**

Without the dedication of our committed and loyal volunteers, the Charity could not support the funding of excellent levels of care to patients, their families, carers and friends. At Michael Sobell Hospice Charity, there are over 150 volunteers lending a helping hand in a variety of ways including helping us with income generation activities, working in our retail outlets and generally supporting our events and fundraising work.

Our volunteers usually give a regular commitment, which can be flexible to fit around their personal lives and can be anywhere between an hour a month, to several days a week.

Our Fundraising and Retail teams coordinate the recruitment, training and placement of volunteers for the Charity and keeps in regular contact with them. Without the time and commitment of volunteers, the Charity would be unable to operate effectively. They are critical to success across all areas of the organisation. The Charity's two shops and warehouse rely heavily on volunteers and without them these outlets would close. They are absolutely business critical. In the office, volunteers work alongside the staff team providing a valuable resource with communications, finance, event preparation and administration.

### **Strategic report**

The description under the headings "Achievements and performance" and "Financial review" meet the company law requirements for the trustees to present a strategic report.

# THE MICHAEL SOBELL HOSPICE CHARITY

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)

**FOR THE YEAR ENDED 31 MARCH 2021**

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### **Achievements and performance**

The activities undertaken in the year satisfy the objectives of the Charity and demonstrate public benefit as required by the Charity Commission.

The Hospice philosophy is based on the individual patient and those around them being of primary importance. The Hospice service is completely free to those who need it, regardless of race or belief. The funds the Charity has generated during the year have supported Michael Sobell Hospice and its patients and families in many ways:

- The Charity granted £682,543 in the year to 31 March 2021 to fund a range of services, activities and equipment
- Clinical support, educational and administrative salaries within the Hospice have been funded by the Charity, including on-costs, ensuring high levels of professional medical and nursing care for patients, their families and carers
- The Hospice Day Therapy Unit has been closed during the pandemic, so a new Remote Support and Wellbeing Service has been developed, offering patients across the Hillingdon Borough a programme of virtual events to help them keep in touch with each other and the clinical team
- The Charity continues to include patients and families in events to celebrate the lives of their loved ones (Annual Light Up A Life Ceremony). In December 2020 this celebration had to be held virtually
- Due to lockdowns and the various restrictions imposed, the Fundraising Team were unable to organise our usual programme of "live" events. However, the Charity kept in touch with supporters through e-newsletters and a series of virtual quizzes throughout the year, which proved to be very popular

Michael Sobell Hospice Charity shops are a reminder to the public that the Hospice is there for them when they or someone they know needs special care and these shops are our "face" on the high street.

The results of our income generation activities are measured against the previous year and compared to external benchmarks and budgets determined by the staff and agreed with the Trustees. Obviously in the year 2020/2021 these activities have been somewhat restricted in view of the Covid-19 pandemic.

The Trustees also closely monitor the performance of the investment portfolio and obtain advice relating to investment matters.

# THE MICHAEL SOBELL HOSPICE CHARITY

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)

**FOR THE YEAR ENDED 31 MARCH 2021**

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### Financial review

#### Income Generation

Despite the challenges expected when the full impact of the Covid-19 pandemic is felt by most charities and businesses the charity's income was boosted by £500k with a combination of grants (£300k) and the additional legacies in excess of £200k.

The total income for the year amounted to £1,919,590 (2019/20 - £1,404,144) marking an increase of £515,446 from the previous financial year. This increase is mainly due to the fact that the Charity was a beneficiary of legacies from the Estates of previous patients and their families. Income from legacies increased by £212,708 to £686,107 (2019/20 - £473,399). Because of their very nature, such bequests are unpredictable and cannot be budgeted for with any certainty. However, these are one of the main indications as to how the Charity and the dedication of the Hospice clinical staff is perceived by the local community. The income derived from grants also increased by £340,242, of which £158,824 has been transferred to a designated reserve (see Note 22).

The Charity also saw an increase of £231,502 in donations, viz. £600,258 (2019/20 - £368,756). Overall income generation excluding shop income, legacies, grants, and The Hospice Lottery Partnership amounted to £459,357 (2019/20 - £353,699), which again increased by £105,658 representing 30%, compared to 2019/20.

Trading income from shops amounted to £89,544 (2019/20 - £272,047). The decrease of 67% in shop income was largely due to the covid effect on the high streets. This trend is expected to be reversed as the high street recovers from covid. The fund-raising activities were also curtailed again by covid as revealed by the shortfall of 55% to £63,638 compared to last financial year. Both retail and fundraising activities are reinvigorated with additional staff and restructuring retail models, and the management and the board of trustees believe that the Charity is well placed to take advantage of the recovery of post-Covid national economy.

Contributions from The Hospice Lottery Partnership (shown within 'Donations and Legacies') continued to be a steady source for the Michael Sobell Hospice Charity (MSHC) maintaining roughly at the same level. 2020-21 £217,852 (2019/20 - £225,000) while the interest and income from listed investments fell by £12,191 to £13,313 (2019/20 - £25,504).

Receipts from the Sobell Bridge Club suffered during the year as all indoor activities were restricted because of the pandemic. 2020-21 £2,955 (2019/20 - £40,950) and as the restrictions are easing in the post balance sheet period this source of income is expected to revive.

The Charity's Annual Light Up A Life event raised 2020/21 - £11,447 (2019/20 -£6,291) and Charity Bike Ride added to the income in 2020/21 £2,754 (2019/20 by £3,048), Ladies in the Night Walk, which raised £5,049 in 2020/21 (£29,238 in 2019/20). The charity's fundraising team also have embarked in a new activity of newsletter appeal which added £6,978 for the year since July 20. These events along with other fund-raising activities raised £50,838 (2019/20 - 91,447) in total. The events clearly have been affected by the pandemic, but have now in the post year end period resumed to support the Charity.

#### Reserves policy

The Charity and Hospice needs are such that the Trustees consider it prudent to try and retain sufficient reserves to enable the Charity to continue to provide services at the present level. We were able to increase the level of reserves at 31 March 2021 to excess of £2 million by setting aside £159k of the grant receipts. The Trustees believe that this affords sufficient time to implement a review of the level of support for MSHC and to revise the fundraising strategy. Trustees will continue to strive to maintain the high quality of services experienced by the patients.



# THE MICHAEL SOBELL HOSPICE CHARITY

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)

**FOR THE YEAR ENDED 31 MARCH 2021**

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### Investment policies

The Finance Committee (a Sub-Committee of the Trustee Board) regularly meet at monthly intervals to ensure that the Charity's investments are held in a prudent way to best exploit the options available in the financial markets, whilst ensuring that the Charity's assets are not overly exposed to market fluctuations.

The deployment of investment assets are as follows:

	31 March 21 £,000	31 March 20 £,000	Notes
Listed Investments*	455	357	*
Unlisted Investment			
Hospice Lottery P'ship	206	87	
Others	198	152	

\* Value of Listed Investments at 11 Nov 21 = approx. £500k.

### Investment Policy and Objectives

The policies and objectives remain largely the same as in previous years and continue to be updated regularly. These are:

#### **Liquidity Risk Policy**

The Charity will endeavour to maintain sufficient liquid assets, at all times, to meet its known expenditure requirements for the following three-month period. These liquid assets will consist of cash, funds held in current bank and building society accounts, and funds held in notice accounts, not exceeding 90 days-notice, in bank and building society accounts and any fixed term deposits maturing within the next 90 days.

#### **Investments**

The Charity's investments are managed by the Finance Committee, which meets monthly to review the Charity's funds and maximise the return on investments. The Committee Members are Trustees or appointed advisors. The Finance Committee reports to the Trustee Board at their scheduled meetings, or at any other time, if deemed necessary.

The overall objective is to invest the reserve assets of the Charity prudently so that funds are available if the reserves are needed to support expenditure. Also, to the extent possible within that constraint, to earn as much income and capital gain as possible with due and proper consideration for future needs and the maintenance of, and if possible, the enhancement of the value of the invested funds while they are retained.

The Trustees have agreed to hold about one half of the assets of the Charity in equity investments and about one third in a series of fixed term cash deposits that mature at regular intervals over the following 12 months. The Trustees have decided to delegate the management of the quoted investment to authorised Investment Fund Managers.

The Charities Aid Foundation (CAF) has been appointed to manage part of the Charity's quoted investment funds. At present, these investments comprise entirely of "Open-ended Collective Investment Scheme" (OECI) shares. CAF funds are managed by Octopus Investments and they are regulated by the Financial Conduct Authority.

The Charities Official Investment Fund (COIF) has been appointed to manage part of the Charity's quoted investment funds. COIF funds are managed by Churches, Charities and Local Authorities (CCLA) Fund Managers and they are regulated by the Financial Conduct Authority.

# THE MICHAEL SOBELL HOSPICE CHARITY

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)

**FOR THE YEAR ENDED 31 MARCH 2021**

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### **Risks and uncertainties**

The Charity's Trustees have considered the major risks to which the Charity is exposed and satisfied themselves that systems or procedures are established to manage those risks. Major risks are those that have a major impact and a probable or highly probable likelihood of occurring.

If they occurred, they would have a major impact on some or all of the following areas:

- Governance;
- Reputation;
- Finances;
- Compliance with law or regulation

Any of these major risks and their potential impacts could change the way Trustees, supporters or beneficiaries might deal with the Charity. The Risk Register is a tool, which enables the Charity to understand its comprehensive risk profile and identifying each major risk to which the Charity is potentially exposed. The Register is reviewed and updated by the Board of Trustees annually.

### **Fundraising**

The fundraising team adopts a supporter-led approach to fundraising and seeks where possible to build sound long-term relationships with supporters.

In the year 2020/2021, the Charity received two complaints about our bookstall activities. These complaints were dealt with quickly and resolved by discussion with lead volunteers, and apologies issued by the charity to the complainants. The Charity continues to monitor all fundraising activities, fundraisers and volunteers in accordance with the Code of Fundraising Practice. The Charity does not use professional fundraisers or involve commercial participators.

The Charity does run two shops and a warehouse, which are managed by paid managers and volunteer staff and principally sell donated goods.

The Hospice Lottery Partnership continues to provide much valued funds through its hospice lottery and the Charity received £217,852 in the year.

### **Looking ahead**

The level of fundraising during 2020/21 due to the continued impact of Covid-19 has inevitably not been as successful as 2019/20, or the previous years. Even though there continue to be many challenges faced by the Charity, the Board of Trustees strongly believe that it is well placed to exploit and manage every available opportunity during 2021 and 2022 and progress positively into the future.

Fundraising income from all the activities, large or small, is once again appreciatively acknowledged and our sincere thanks go to all our supporters and organisers of the events. We would like to thank all those individuals and businesses for their donations and fundraising efforts on our behalf.

Our thanks go to the Board of Trustees, themselves volunteers for the Charity, for their support and guidance throughout the year. We have a skill mix on the Board, which ensures that the business and governance of the Charity is scrutinised, reviewed and supported well.

# THE MICHAEL SOBELL HOSPICE CHARITY

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)

**FOR THE YEAR ENDED 31 MARCH 2021**

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### Plans for future periods

The Charity will continue to restructure the staff team to reflect the change in income generation streams and maximise its fundraising potential.

The Charity will continue in seeking to recruit additional Trustees to the Board in line with its skills requirement profile, particularly enhancing fund-raising ability.

The Charity will prioritise its profiling in the local community through marketing and public media opportunities.

The Charity has considered the effects of Brexit (and latterly the Covid-19 pandemic) on its ability to raise funds. As all income comes from local fundraising, legacies and donations the Trustees consider that Brexit will not impact materially on fundraising efforts.

### Structure, governance and management

Michael Sobell Hospice Charity is a company limited by guarantee governed by its Memorandum and Articles of Association dated 7 November 1998, revised in October 2018. It is registered as a Charity with the Charity Commission.

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Mr M Breen

Mr R Williams

Mr J Sandercock

Mr I Chandler

Mr B Horton

Mr M Golinsky

Mr K Kuhanandan

Mr D Edmonds

Mr S Kanabar

(Resigned on 17 September 2021)

(Resigned on 24 June 2020)

### Key Management Personnel in 2020/21

Accounts Manager

Income Generation

Head of Charity

Interim Director of Fundraising

Mr D Salter

Ms O Chambers-Henry (To September 2020)

Ms L Skipper (From December 2020)

Ms C Cole (From June 2020 to December 2020)

# **THE MICHAEL SOBELL HOSPICE CHARITY**

## **TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2021**

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### **Appointment of Trustees**

Most people have some skills, knowledge or experience that they can bring to a Charity. In addition, Trustees should have a strong personal commitment to the Charity's aims and objectives. It is also essential that there are no legal or other barriers to a Trustee's appointment.

To optimise our effectiveness, we recruit a diverse Board with a broad range of skills, knowledge and experience. When preparing to recruit new Trustees we seek to increase or at least maintain the diversity of our Trustee Board, whilst ensuring we have the correct skillset for continuity.

As well as achieving a balance in skills and experience, we also aim to achieve greater diversity by reaching out into communities that are not presently represented.

Responsibility for the recruitment of new Trustees rests with the Board of Trustees. There is an open and efficient process, which always acts in the best interests of the Charity. Before appointing a new Trustee, the Trustee Board ensures that the appointment meets the requirements of the Charity's governing document and the law. Before appointing a Trustee, the Trustee Board obtains a declaration from the prospective Trustee that they are not disqualified.

### **Organisation**

The Board of Trustees, which can have up to 15 members, administers the Charity. The Board normally meets 12 times in a year. Since the re-opening of the Hospice in January 2020 the Charity has taken measures to support the Trustees. From June 2020 the Charity was managed by Cath Cole - Interim Director of Fundraising and Communications until a permanent Head of Charity was appointed in December 2020.

### **Trustee induction and training**

New Trustees undergo an orientation programme to brief them on their legal obligations under Charity and company law, the committee and decision-making processes, the business plan and recent financial performance of the Charity. During the induction period, they meet the other members of the Trustee Board and the staff team. Trustees are encouraged to attend appropriate external events to increase their knowledge and understanding of the role and the wider charity sector.

### **Pay policy for senior staff**

The directors are the Charity's Trustees. The senior management team comprise the key management personnel of the Charity in charge of directing and controlling, running and operating the Charity on a day-to-day basis (see Organisation note). All directors give their time freely and no director received remuneration in the year. Details of directors' expenses and related party transactions are disclosed in note 25 to the accounts. The pay of the senior staff is reviewed annually and benchmarked against pay levels in other comparable charities, the voluntary sector and similar roles.

### **Related parties and co-operation with other organisations**

None of our Trustees receive remuneration or other benefit from their work with the Charity. Any connection between a Trustee or senior manager of the Charity with a contractor or supplier or professional services must be disclosed to the full Board of Trustees in the same way as any other contractual relationship with a related party. In the current year, there were no such related party transaction.

# THE MICHAEL SOBELL HOSPICE CHARITY

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)

**FOR THE YEAR ENDED 31 MARCH 2021**

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### Statement of trustees' responsibilities

The trustees, who are also the directors of The Michael Sobell Hospice Charity for the purpose of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity 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 charity 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 charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### Auditor

In accordance with the company's articles, a resolution proposing that RDP Newmans LLP be reappointed as auditor of the company will be put at a General Meeting.

### Disclosure of information to auditor

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The trustees' report, including the strategic report, was approved by the Board of Trustees.

**Mr M Breen**  
Chairman

Dated: 22 December 2021

**Mr K Kuhanandan**  
Treasurer

Dated: 22 December 2021

# THE MICHAEL SOBELL HOSPICE CHARITY

## INDEPENDENT AUDITOR'S REPORT

### TO THE TRUSTEES OF THE MICHAEL SOBELL HOSPICE CHARITY

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#### Opinion

We have audited the financial statements of The Michael Sobell Hospice Charity (the 'charity') for the year ended 31 March 2021 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 charitable company's affairs as at 31 March 2021 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### Basis for opinion

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

#### Conclusions relating to going concern

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

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

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

#### Other information

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

We have nothing to report in this regard.

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

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

- the information given in the trustees' report, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

# THE MICHAEL SOBELL HOSPICE CHARITY

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE TRUSTEES OF THE MICHAEL SOBELL HOSPICE CHARITY

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

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the trustees' report.

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

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

#### **Responsibilities of trustees**

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charity for the purpose 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 charity'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 charitable company or to cease operations, or have no realistic alternative but to do so.

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

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

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, is detailed below.

# THE MICHAEL SOBELL HOSPICE CHARITY

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE TRUSTEES OF THE MICHAEL SOBELL HOSPICE CHARITY

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#### **The extent to which the audit was considered capable of detecting irregularities including fraud**

We obtained an understanding of the legal and regulatory frameworks within which the charitable company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006 together with the Charities SORP (FRS102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company for fraud. The laws and regulations we considered in this context for the UK operations were, General Data Protection Regulation (GDPR), and employment legislation.

We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- reviewed and tested journal entries to identify unusual transactions and other adjustments for appropriateness, and evaluating the business rationale of significant transactions outside the normal course of business;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in note 2 were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- reviewing and agreeing financial statement disclosures and testing to underlying supporting documentation; and
- enquiring of management as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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



# **THE MICHAEL SOBELL HOSPICE CHARITY**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE TRUSTEES OF THE MICHAEL SOBELL HOSPICE CHARITY**

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#### **Use of our report**

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

**Paresh Radia FCA (Senior Statutory Auditor)**  
**for and on behalf of RDP Newmans LLP**

22 December 2021

**Chartered Accountants**  
**Statutory Auditor**

Lynwood House  
373-375 Station Road  
Harrow  
Middlesex  
HA1 2AW

# THE MICHAEL SOBELL HOSPICE CHARITY

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2021

		Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £
	Notes						
<b>Income and endowments from:</b>							
Donations and legacies	3	1,689,062	17,545	1,706,607	921,655	500	922,155
Other trading activities	4	153,182	-	153,182	413,046	-	413,046
Investments	5	13,313	-	13,313	25,504	-	25,504
Other income	6	46,488	-	46,488	43,439	-	43,439
<b>Total income</b>		<b>1,902,045</b>	<b>17,545</b>	<b>1,919,590</b>	<b>1,403,644</b>	<b>500</b>	<b>1,404,144</b>
<b>Expenditure on:</b>							
Raising funds	7	422,361	-	422,361	418,731	-	418,731
Charitable activities	8	752,141	6,376	758,517	1,111,388	449	1,111,837
Impairment losses reversed		(119,143)	-	(119,143)	-	-	-
Other	12	-	-	-	9,054	-	9,054
<b>Total resources expended</b>		<b>1,055,359</b>	<b>6,376</b>	<b>1,061,735</b>	<b>1,539,173</b>	<b>449</b>	<b>1,539,622</b>
Net gains/(losses) on investments	13	98,976	-	98,976	(53,138)	-	(53,138)
<b>Net movement in funds</b>		<b>945,662</b>	<b>11,169</b>	<b>956,831</b>	<b>(188,667)</b>	<b>51</b>	<b>(188,616)</b>
Fund balances at 1 April 2020		1,106,157	4,030	1,110,187	1,294,824	3,979	1,298,803
<b>Fund balances at 31 March 2021</b>		<b>2,051,819</b>	<b>15,199</b>	<b>2,067,018</b>	<b>1,106,157</b>	<b>4,030</b>	<b>1,110,187</b>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

# THE MICHAEL SOBELL HOSPICE CHARITY

## BALANCE SHEET

AS AT 31 MARCH 2021

	Notes	2021 £	£	2020 £	£
<b>Fixed assets</b>					
Tangible assets	15	17,175		12,932	
Investments	16	661,782		443,663	
			678,957		456,595
<b>Current assets</b>					
Debtors	17	724,659		352,718	
Investments	18	197,600		152,547	
Cash at bank and in hand		624,678		394,979	
			1,546,937		900,244
<b>Creditors: amounts falling due within one year</b>	19	(158,876)		(246,652)	
Net current assets			1,388,061		653,592
<b>Total assets less current liabilities</b>			2,067,018		1,110,187
<b>Income funds</b>					
Restricted funds	21	15,199		4,030	
<u>Unrestricted funds</u>					
Designated funds	22	813,824		655,000	
General unrestricted funds		1,237,995		451,157	
			2,051,819		1,106,157
			2,067,018		1,110,187

The financial statements were approved by the Trustees on 22 December 2021

Mr M Breen  
Trustee

Mr K Kuhanandan  
Trustee

Company Registration No. 03677413

# THE MICHAEL SOBELL HOSPICE CHARITY

## STATEMENT OF CASH FLOWS

**FOR THE YEAR ENDED 31 MARCH 2021**

	Notes	2021 £	£	2020 £	£
<b>Cash flows from operating activities</b>					
Cash generated from/(absorbed by) operations	26		227,048		(309,036)
<b>Investing activities</b>					
Purchase of tangible fixed assets		(10,662)		(19,229)	
Proceeds on disposal of investments		-		273,604	
Investment income received		13,313		25,504	
<b>Net cash generated from investing activities</b>			2,651		279,879
<b>Net cash used in financing activities</b>			-		-
<b>Net increase/(decrease) in cash and cash equivalents</b>			229,699		(29,157)
Cash and cash equivalents at beginning of year			394,979		424,136
<b>Cash and cash equivalents at end of year</b>			624,678		394,979

# THE MICHAEL SOBELL HOSPICE CHARITY

## NOTES TO THE FINANCIAL STATEMENTS

**FOR THE YEAR ENDED 31 MARCH 2021**

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### **1 Accounting policies**

#### **Charity information**

The Michael Sobell Hospice Charity is a private company limited by guarantee incorporated in England and Wales. The registered office is Michael Sobell Hospice, Mount Vernon Hospital, Rickmansworth Road, Northwood, Middlesex, HA6 2RN.

#### **1.1 Accounting convention**

The financial statements have been prepared in accordance with the charity's Memorandum and Articles of Association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)". The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

#### **1.2 Going concern**

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

#### **1.3 Charitable funds**

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

#### **1.4 Income**

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised when claimed by the charity.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

Donated services and gifts in kind are included at the value to The Michael Sobell Hospice Charity where this can be quantified. The value of services provided by volunteers has not been included in these accounts.

# THE MICHAEL SOBELL HOSPICE CHARITY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 MARCH 2021**

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### **1 Accounting policies**

**(Continued)**

#### **1.5 Expenditure**

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

Direct charitable expenditure represents costs incurred in meeting the objects of the charity.

Fundraising costs are those incurred by the charity in seeking voluntary donations as well as in relation to particular fund-raising events.

Shop and Retail costs are those incurred by the charity in running its shops, warehouse and merchandise activity.

Support costs are those incurred in connection with administration of the charity and compliance with its constitutional and statutory requirements are then charged to the relevant activities.

The trust is not registered for VAT so all expenses shown in the statement of financial activities and notes to the accounts are shown gross (i.e. inclusive of VAT).

#### **1.6 Tangible fixed assets**

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Fixtures and fittings	3 Years Straight line
Motor vehicles	3 Years Straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

#### **1.7 Fixed asset investments**

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

#### **1.8 Impairment of fixed assets**

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

#### **1.9 Cash and cash equivalents**

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

# THE MICHAEL SOBELL HOSPICE CHARITY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2021

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#### 1 Accounting policies

(Continued)

##### 1.10 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

##### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

##### **Basic financial liabilities**

Basic financial liabilities, including creditors are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

##### **Derecognition of financial liabilities**

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

##### 1.11 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

##### 1.12 Leases

Rentals payable under operating leases, including any lease incentives received, are charged as an expense on a straight line basis over the term of the relevant lease.

##### 1.13 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

Government grants relating to turnover are recognised as income over the periods when the related costs are incurred.

# THE MICHAEL SOBELL HOSPICE CHARITY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2021

#### 2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

In the view of the Trustees, there are no significant estimates or judgements.

#### 3 Donations and legacies

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2021 £	2021 £	2021 £	2020 £	2020 £	2020 £
Donations and gifts	582,713	17,545	600,258	368,256	500	368,756
Legacies receivable	686,107	-	686,107	473,399	-	473,399
Grant income	420,242	-	420,242	80,000	-	80,000
	<u>1,689,062</u>	<u>17,545</u>	<u>1,706,607</u>	<u>921,655</u>	<u>500</u>	<u>922,155</u>

#### 4 Other trading activities

	Unrestricted funds	Unrestricted funds
	2021 £	2020 £
Fundraising events	63,638	140,999
Shop income	89,544	272,047
Other trading activities	<u>153,182</u>	<u>413,046</u>



# THE MICHAEL SOBELL HOSPICE CHARITY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

### 5 Investments

	Unrestricted funds	Unrestricted funds
	2021 £	2020 £
Income from listed investments	11,863	23,301
Interest receivable	1,450	2,203
	<u>13,313</u>	<u>25,504</u>

### 6 Other income

	Unrestricted funds	Unrestricted funds
	2021 £	2020 £
Sobell Bridge Club and other income	2,955	43,439
Furlough grant income	43,533	-
	<u>46,488</u>	<u>43,439</u>

### 7 Raising funds

	Unrestricted funds	Unrestricted funds
	2021 £	2020 £
Fundraising and publicity		
Staging fundraising events	8,373	15,189
Other fundraising costs	21,536	18,868
Staff costs	54,436	38,985
Support costs	101,354	94,033
	<u>185,699</u>	<u>167,075</u>

# THE MICHAEL SOBELL HOSPICE CHARITY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

### 7 Raising funds

(Continued)

#### Trading costs

Operating charity shops	97,646	115,271
Staff costs	93,354	98,772
Depreciation and impairment	5,120	-
Support costs	40,542	37,613
	<hr/>	<hr/>
Trading costs	236,662	251,656
	<hr/>	<hr/>
	422,361	418,731
	<hr/>	<hr/>

### 8 Charitable activities

	Clinical staffing and support 2021 £	Clinical staffing and support 2020 £
Patient/staff support and counselling	11,317	18,342
Clinical staff salaries	670,736	654,506
Refurbishment contribution costs	490	370,503
New equipment, repairs and servicing	-	1,869
	<hr/>	<hr/>
	682,543	1,045,220
	<hr/>	<hr/>
Share of support costs (see note 9)	60,812	56,420
Share of governance costs (see note 9)	15,162	10,197
	<hr/>	<hr/>
	758,517	1,111,837
	<hr/>	<hr/>
<b>Analysis by fund</b>		
Unrestricted funds	752,141	1,111,388
Restricted funds	6,376	449
	<hr/>	<hr/>
	758,517	1,111,837
	<hr/>	<hr/>

# THE MICHAEL SOBELL HOSPICE CHARITY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

### 9 Support costs

	Support costs £	Governance costs £	2021 £	Support costs £	Governance costs £	2020 £
Management costs	87,814	-	87,814	57,243	-	57,243
Management employment costs	114,894	-	114,894	130,823	-	130,823
Other governance expenses	-	15,162	15,162	-	10,197	10,197
	<u>202,708</u>	<u>15,162</u>	<u>217,870</u>	<u>188,066</u>	<u>10,197</u>	<u>198,263</u>
Analysed between						
Fundraising	101,354	-	101,354	94,033	-	94,033
Trading	40,542	-	40,542	37,613	-	37,613
Charitable activities	60,812	15,162	75,974	56,420	10,197	66,617
	<u>202,708</u>	<u>15,162</u>	<u>217,870</u>	<u>188,066</u>	<u>10,197</u>	<u>198,263</u>

Management support costs are reallocated on the basis of staff time per activity.

The allocation percentages noted below show fairly the spread of people and activities between support costs:

50% Fundraising  
20% Trading  
30% Charitable activities

Governance costs includes auditors' fees, legal, training and other sundry costs.

Audit fees for the year were £13,200 (2020: £7,000).

### 10 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

# THE MICHAEL SOBELL HOSPICE CHARITY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

### 11 Employees

#### Number of employees

The average monthly number of employees during the year was:

	2021 Number	2020 Number
Fundraising and publicity (including shops)	9	9
Support staff	2	2
	<u>11</u>	<u>11</u>

#### Employment costs

	2021 £	2020 £
Wages and salaries	236,900	206,419
Social security costs	19,246	12,768
	<u>256,146</u>	<u>219,187</u>

All clinical staff were employed by Harlington Hospice and not directly by Michael Sobell Hospice Charity. The charity allocated funds for these posts. These costs are shown as charitable activities within Note 8 of the accounts.

The Key Management Personnel totalled £48,522 for the year (2020: £68,269) which was in respect of 2 employees (2020: 2).

There were no employees whose annual remuneration was £60,000 or more.

### 12 Other

	Total £ 2021	Unrestricted funds 2020
Net loss on disposal of tangible fixed assets	-	9,054

# THE MICHAEL SOBELL HOSPICE CHARITY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

### 13 Net gains/(losses) on investments

	Unrestricted funds	Unrestricted funds
	2021	2020
	£	£
Revaluation of investments	98,976	(77,813)
Gain/(loss) on sale of investments	-	24,675
	<u>98,976</u>	<u>(53,138)</u>

### 14 Taxation

The Charity is exempt from tax on income and gains falling within section 505 of Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

### 15 Tangible fixed assets

	Fixtures and fittings	Motor vehicles	Total
	£	£	£
<b>Cost</b>			
At 1 April 2020	3,869	15,360	19,229
Additions	10,662	-	10,662
At 31 March 2021	<u>14,531</u>	<u>15,360</u>	<u>29,891</u>
<b>Depreciation and impairment</b>			
At 1 April 2020	537	5,760	6,297
Depreciation charged in the year	1,299	5,120	6,419
At 31 March 2021	<u>1,836</u>	<u>10,880</u>	<u>12,716</u>
<b>Carrying amount</b>			
At 31 March 2021	<u>12,695</u>	<u>4,480</u>	<u>17,175</u>
At 31 March 2020	<u>3,332</u>	<u>9,600</u>	<u>12,932</u>

# THE MICHAEL SOBELL HOSPICE CHARITY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

### 16 Fixed asset investments

	Listed investments £	Unlisted investments £	Total £
<b>Cost or valuation</b>			
At 1 April 2020	356,996	86,667	443,663
Valuation changes	98,976	-	98,976
At 31 March 2021	455,972	86,667	542,639
<b>Impairment</b>			
At 1 April 2020	-	-	-
Impairment losses reversal	-	(119,143)	(119,143)
At 31 March 2021	-	(119,143)	(119,143)
<b>Carrying amount</b>			
At 31 March 2021	455,972	205,810	661,782
At 31 March 2020	356,996	86,667	443,663

The Hospice Lottery Partnership investment was reviewed for impairments and it was decided to reverse previous impairment losses by £119,143 to £205,810 which is considered to be a fair reflection of the value of the investment as at 31 March 2021.

### 17 Debtors

	2021 £	2020 £
<b>Amounts falling due within one year:</b>		
Other debtors	706,267	271,446
Prepayments and accrued income	18,392	81,272
	724,659	352,718

### 18 Current asset investments

	2021 £	2020 £
Unlisted investments	197,600	152,547

# THE MICHAEL SOBELL HOSPICE CHARITY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2021

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

	2021 £	2020 £
Other taxation and social security	7,011	5,614
Trade creditors	127,049	227,768
Other creditors	-	10
Accruals and deferred income	24,816	13,260
	<u>158,876</u>	<u>246,652</u>

#### 20 Retirement benefit schemes

The charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund.

#### 21 Restricted funds

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

	Movement in funds			Movement in funds			
	Balance at 1 April 2019 £	Incoming resources £	Resources expended £	Balance at 1 April 2020 £	Incoming resources £	Resources expended £	Balance at 31 March 2021 £
Berkhamsted Benevolent (2)	1,932	-	-	1,932	-	-	1,932
The Mason Le Page charity	1,110	-	-	1,110	3,030	-	4,140
Derek Stewart Group	87	-	-	87	-	-	87
Other restricted	850	500	(449)	901	9,515	(1,086)	9,330
Berkhamsted Benevolent (3)	-	-	-	-	5,000	(5,290)	(290)
	<u>3,979</u>	<u>500</u>	<u>(449)</u>	<u>4,030</u>	<u>17,545</u>	<u>(6,376)</u>	<u>15,199</u>

The Berkhamsted and Boxmoor B T Benevolent Society fund (2) is restricted for the purchase of patient amenities. The balance remains unchanged in the year.

The Derek Stewart Group fund is restricted to fund clinical staff posts. The balance of £87 remains unchanged in the year and is taken forward to fund future clinical staff posts.

The remaining funds are for patient support. The balance of £9,330 is carried forward to next year when this is due to be expended.

# THE MICHAEL SOBELL HOSPICE CHARITY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 MARCH 2021**

### 22 Unrestricted funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	Movement in funds				Movement in funds				
	Balance at 1 April 2019	Incoming resources	Resources expended	Transfers	Balance at 1 April 2020	Incoming resources	Resources expended	Transfers	Balance at 31 March 2021
	£	£	£	£	£	£	£	£	£
Designated fund - Bequest	791,000	-	-	(136,000)	655,000	-	-	158,824	813,824
General unrestricted fund	503,824	1,403,644	(1,592,311)	136,000	451,157	1,902,045	(956,383)	(158,824)	1,237,995
	<u>1,294,824</u>	<u>1,403,644</u>	<u>(1,592,311)</u>	<u>-</u>	<u>1,106,157</u>	<u>1,902,045</u>	<u>(956,383)</u>	<u>-</u>	<u>2,051,819</u>

This designated fund is set aside for legacies and bequests that are received each year to protect the charity from volatility in this income stream. During the year a transfer of £158,824 was made from general unrestricted funds to designated funds.



# THE MICHAEL SOBELL HOSPICE CHARITY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2021

#### 23 Analysis of net assets between funds

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £
Fund balances at 31 March 2021 are represented by:						
Tangible assets	17,175	-	17,175	12,932	-	12,932
Investments	661,782	-	661,782	443,663	-	443,663
Current assets/ (liabilities)	1,372,862	15,199	1,388,061	649,562	4,030	653,592
	<u>2,051,819</u>	<u>15,199</u>	<u>2,067,018</u>	<u>1,106,157</u>	<u>4,030</u>	<u>1,110,187</u>

#### 24 Operating lease commitments

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2021 £	2020 £
Within one year	72,860	70,875
Between two and five years	179,640	220,000
In over five years	31,375	97,500
	<u>283,875</u>	<u>388,375</u>

#### 25 Related party transactions

##### Transactions with related parties

During the year the charity entered into the following transactions with related parties:

During the year, Mr M Breen (the chairman and trustee of Michael Sobell Hospice Charity) was also a director of the Hospice Lottery Partnership in which the charity has an interest. Income received in the year was £217,852 (2020: £225,000) with an amount due from the Hospice Lottery Partnership of £30,000 (2020: £18,075) at the year end.

# THE MICHAEL SOBELL HOSPICE CHARITY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

26	Cash generated from operations	2021 £	2020 £
	Surplus/(deficit) for the year	956,831	(188,616)
	Adjustments for:		
	Investment income recognised in statement of financial activities	(13,313)	(25,504)
	(Gain)/loss on disposal of tangible fixed assets	-	9,054
	Gain on disposal of investments	-	(24,675)
	Fair value gains and losses on investments	(98,976)	77,813
	Impairment of investments	(119,143)	-
	Depreciation and impairment of tangible fixed assets	6,419	6,297
	Movements in working capital:		
	(Decrease) in short term deposits	(45,053)	133,145
	(Increase) in debtors	(371,941)	(233,983)
	(Decrease) in creditors	(87,776)	(62,567)
	<b>Cash generated from/(absorbed by) operations</b>	<b>227,048</b>	<b>(309,036)</b>