

Registered number: 02164215
Charity number: 297798

HOSPISCARE
(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

**HOSPISCARE
(A COMPANY LIMITED BY GUARANTEE)**

CONTENTS

	Page
Reference and administrative details of the Charity, its Trustees and advisers	1
Trustees' report	2
Independent auditors' report on the financial statements	21 - 24
Consolidated statement of financial activities	25 - 26
Consolidated statement of financial position	27
Charity balance sheet	28
Consolidated statement of cash flows	29
Notes to the financial statements	30 - 55

**HOSPISCARE
(A COMPANY LIMITED BY GUARANTEE)**

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 MARCH 2021**

Trustees	GH Bush RG Pringle, Chairman (resigned 6 April 2021) BH Sweeney M Bryant CM Durston PG Serjeant SJ Jackson J Winslade BA Turner CL McGregor G Allen J Cortizo HM Enright, Interim Chair from 7 April 2021 JT Hawkins
Company registered number	02164215
Charity registered number	297798
Registered office	Dryden Road Exeter Devon EX2 5JJ
Company secretary	AC Randall FCCA
Chief executive officer	AC Randall FCCA
Independent auditors	Bishop Fleming LLP Chartered Accountants 2nd Floor Stratus House Emperor Way Exeter Business Park Exeter EX1 3QS
Bankers	National Westminster Bank Plc 59 High Street Exeter EX4 3DL
Website	www.hospiscare.co.uk

**TRUSTEES REPORT
FOR THE YEAR ENDED 31 MARCH 2021**

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2021

The Trustees (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the audited financial statements of Hospiscare (the charity) for the year ended 31 March 2021. The Trustees confirm that the annual report and financial statements of the charity comply with; the current statutory requirements, the requirements of the charity's governing document, and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) effective from 1 January 2015.

OBJECTIVES AND ACTIVITIES

a. POLICIES AND OBJECTIVES

The objects of the charity are to promote the relief of sickness amongst people suffering from a life limiting illness in such ways as the charity shall from time-to-time think fit and, in particular (but without limitation), to provide services to support the physical, psychological, social and spiritual needs of those affected by life-limiting illnesses.

Hospiscare's vision is:

To ensure those in need receive outstanding end of life care, in the place of their choice.

Hospiscare's mission is:

To provide compassionate, expert end of life care to those in need – before during and after death. Together with our community, we make everyday matter.

Hospiscare's services are delivered:

- In the community, by clinical teams who visit people in their homes, in nursing homes and in community hospitals.
- In the specialist in-patient ward for patients whose symptoms cannot be managed at home.
- Through a 24/7 telephone advice line.
- In the day hospice units at Searle House (Exeter hospice), at Pine Lodge in Tiverton and at Kings House in Honiton.
- In the acute hospital. Hospiscare's doctors work alongside colleagues in the Royal Devon and Exeter Hospital Foundation Trust (RDEFT) to provide specialist palliative care assessment and advice.
- Supportive care services are delivered in all settings and include care management to enable patients to return home, complementary therapies, spiritual support, carer support and bereavement care.

Hospiscare influences the quality of end of life care by providing specialist advice and education for health and social care practitioners and by contributing to the training of doctors and nurses.

Hospiscare is the principal provider of specialist palliative care to the communities Exeter, Mid and East Devon. You can find where our services are available through our website at www.hospiscare.co.uk/how-we-help/locations/

Hospiscare Trustees and staff are guided in their decision-making by agreed core values, which are:

1. **Compassionate** – Kind and caring in all that we do
2. **Professional** – Experts in our field, accountable and collaborative

TRUSTEES REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

3. **Respectful** – Mindful of the feelings and beliefs of others
4. **Inclusive** – Work fairly and equitably, valuing difference

Most of our funding comes from our generous supporters in the local community, we also receive a grant from the local Clinical Commissioning Group (CCG). We are very aware that we need to spend this money wisely for the community we serve.

The Trustees have considered the Charity Commission's guidance on public benefit and are confident that Hospiscare's strategic intentions and activities are congruent with its charitable purpose for the public benefit.

b. STRATEGIES FOR ACHIEVING OBJECTIVES

Hospiscare reviews its strategic plan regularly and sets operational objectives, based on the plan, each year.

In March 2021 the Board of Trustees ('the Board') reviewed our progress and committed to:

- Helping people with advanced care planning
- Utilise the 5 ways of connecting and supporting people by
 - Visiting people in their homes
 - A short stay on our specialist ward
 - A telephone call
 - A virtual consultation
 - An outpatient clinic appointment
- Continue to provide more care closer to home, working towards equal access to hospice care regardless of diagnosis, circumstances or economic standing, continuing to support people to live well until they die through day and supportive care services and ensuring Searle House remains a centre of expertise with facilities that are fit for the future.
- Providing a range of services that are reflective of relevant quality standards
- Work with GP networks and promote our referral criteria
- Promote our work to all stakeholders
- Work collaboratively with other health and social care providers
- Engage and share expertise with the Integrated Care System and clinical commissioners.

c. COVID-19 RESPONSE

The Covid-19 pandemic continued throughout 2020/2021, during which time the charity took all appropriate steps to ensure the safety and wellbeing of its staff, volunteers, patients and families. We continued to respond with the following measures:

- All staff who were able and could work at home continued to do so.
- Some services that had been stood down, did not restart, e.g. day services.

TRUSTEES REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

- Weekly meeting of the Senior Management Team took place throughout, and more frequently at times of lockdown and when considered necessary. All meetings and Trustee meetings took place virtually.
- A Gold Committee was formed, consisting of the chairs of all the committees and long-serving Trustees, to provide Trustee oversight and involvement during the crisis. The Gold Committee met frequently. Quality, Assurance and Improvement Committee, which ensures the quality of our care continued to sit, with other committees restarting towards the end of 2020.
- All shops were closed in accordance with the government rules at various times throughout the year and all physical fundraising events cancelled or re-configured to virtual.
- The Trustees have considered the effect of the pandemic on the charity's finances and have reviewed its reserves policy accordingly. The Trustees, having made all necessary enquiries and given due consideration to the current operational and financial conditions and future outlook, are satisfied that the charity will continue to meet its liabilities as they fall due and that the going concern basis of preparation remains appropriate for the foreseeable future being no less than 12 months from the date of approval of these accounts.
- We are grateful to all our supporters who have donated or provided support to us in spite of the current difficulties affecting everyone.

d. HOW OUR ACTIVITIES BENEFITED PATIENTS AND CARERS IN 2020-2021

Hospiscare serves the residents of Exeter, Mid and East Devon; a population of 360,000. This area is the same as that covered by the Eastern Locality of North, East and West (NEW) Devon Clinical Commissioning Group, which became the Devon Clinical Commissioning Group on 1 April 2020. The Integrated Care System for Devon was launched on 1 April 2021.

Patients are referred to Hospiscare by their GP, district nurse or by the RDEFT. Referral to Hospiscare enables a patient to access all its services. Referral details can be found on our website.

2,763 patients were supported by Hospiscare in 2020-21. The total number of patients was 15% higher than the previous year.

In-patient Unit

Hospiscare's 12 bedded specialist in-patient ward provides acute care for patients whose symptoms cannot be managed in a community setting. The complex nature of patients' needs means that each shift has at least two trained Registered General Nurses (RGN) on duty and, on the first shift of the day, the ratio of staff to patients is as high as 1:2 if patient dependency is high.

Hospiscare's multi-disciplinary team (MDT) meets every day to assess each patient's and family's needs. The MDT can include doctors, nurses, the chaplain, complementary therapists and medical students.

Hospiscare provides accommodation for patients' families to stay at the hospice in its relatives' suite.

Hospiscare's medical team continues to in-reach to the RDEFT and in 2020-21, 20% of admissions were from the Trust, which is lower than the previous year.

195 patients were cared for in the hospice; they accounted for 210 admissions as some were admitted on more than one occasion. This is fewer patients and admissions than the previous year, which we believe is due to delays in patients being referred into our service during lockdown because of the pandemic. The average length of stay was 11.3 days (9.8 days in 2019-20). The 'throughput' or number of admissions per bed in the year was 18, lower than in 2019-20 (23).

TRUSTEES REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

Royal Devon and Exeter Foundation Trust Specialist Palliative Care Team

During 2020-21 Hospiscare provided specialist palliative care medical support to the Royal Devon and Exeter Foundation Trust via 6.5 sessions per week of palliative care consultant input.

Community Nursing

Hospiscare provides a community specialist palliative care nursing service 7 days a week between 8.30am and 5pm and an out of hours' telephone advice line for patients and professionals. The advice line is open to any professional requiring palliative care advice.

Hospiscare employs 56 clinical staff in the community. These include nurse specialists, assistant practitioners and health care assistants who work in 5 team clusters throughout the area, and in two Hospiscare@Home teams in Axminster and Seaton, in partnership with The League of Friends of Axminster Hospital and Seaton & District Hospital League of Friends, and in Exmouth and Budleigh Salterton. Budleigh Salterton & District Hospiscare fund the community and Hospiscare@Home service in Budleigh Salterton. Following the merger with Exmouth & Lympstone Hospiscare, their funds are held in a restricted fund to be used for funding the community and Hospiscare@Home services in that area.

These staff visit patients at home and offer clinical, spiritual, social and psychological support and expertise. They offer advice to other professionals including GPs and district nurses.

Hospiscare's community nurses supported 2,349 patients in 2020-21, 24% up on the previous year. They made 3,922 visits and 28,362 telephone calls to patients, carers and other professionals. 1,249 of these patients died during the year. 62% died in their own homes; 10% died at the hospice; 1% died in a community hospital; 13% of them died in the acute hospital, 13% died in care homes and 1% died elsewhere. There has been an increase in the percentage of deaths in patients own homes compared to last year.

During the year the Hospiscare@Home teams supported 219 patients. They made 2,496 visits and 1,150 telephone calls. 157 of these patients died during the year, 148 (94%) in their preferred place of death.

Day Hospice

Hospiscare provides day hospice services in three localities: at Searle House (Exeter hospice) and at our day hospices at Pine Lodge in Tiverton and Kings House in Honiton.

During March 2020 as the COVID-19 lockdown became into place, we moved quickly to stand down our day services and any activities which involved gatherings. A consultation was undertaken on day services during 2020 and a new model was proposed and adopted. Due to the on-going pandemic the introduction of the new day service model has been delayed until the situation is more certain. The safety of our patients is paramount in our consideration of this service.

Supportive Care Services

These are services that support patients' emotional, spiritual and social needs and help them to live as well as possible to the end of their lives. Hospiscare provides:

Spiritual support to patients and families by a chaplain and five volunteer assistant chaplains. Religious, spiritual and pastoral support is offered to patients, families, staff and volunteers. This includes in-patients, day patients, bereavement groups and carers' groups. The chaplain also builds bridges with the community via conferences, day courses and working links with educational establishments. Other vital work includes building working relationships with non-Christian faith communities.

Complementary therapies from one staff member who is supported by 12 approved volunteers. The team offers massage, reflexology, aromatherapy, reiki and Indian head massage. The team provide treatments to patients and carers in the community, in our 3 Day Hospices and in the in-patient unit. During 2020-21, the team supported 15 patients, much reduced from the previous year due to the service being stood down for most of this time.

**TRUSTEES REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021**

Bereavement support is offered to the relatives and carers of all the patients who die with Hospiscare. The volunteer bereavement team support carers and families throughout Exeter, Mid and East Devon. 269 people were supported during 2020-21 making 1,396 contacts.

Hospiscare has a partnership agreement with FORCE Cancer Care which enables Hospiscare to access counselling for patients and families with complex support needs. Hospiscare is also able to access financial advice for patients and families via FORCE's Citizens Advice service.

Care Navigation Service

We have recruited and trained a team of 49 volunteer care navigators. These volunteers support individual patients, carers and their families and are part of the Hospiscare team. They provide emotional and practical support, visiting patients at home or enabling them to continue to do the things that are important to them. They also help patients, carers and families to navigate the health and social care system and link them to useful agencies and networks. During 2020-21 the team supported 76 patients, making 528 contacts, which is fewer than the previous year due to the pandemic.

Quality Assurance

The quality of Hospiscare's clinical services is overseen by the Quality Assurance and Improvement Committee (QA&IC).

This Committee is responsible for promoting the highest quality of care in all service settings. It ensures care is evidence based and meets national and local guidance. It reviews and seeks to improve patient experience through audits, surveys, compliments and complaints.

Hospiscare is registered with the Care Quality Commission under the Health and Social Care Act 2008. The CQC inspected last in March 2016. They rated Hospiscare's services as 'Outstanding', the highest rating available.

The CQC structure their inspection by addressing five key lines of enquiry; they consider whether the service is safe, effective, caring, responsive and well-led. They rated Hospiscare as being outstanding for effectiveness, caring, responsiveness, well-led and good for safety. They concluded that "The service provided outstanding end of life care and people were enabled to experience a comfortable, dignified and pain-free death in the place of their choice as much as possible."

Their report can be found here: http://www.cqc.org.uk/sites/default/files/new_reports/INS2-2444263199.pdf

Hospiscare produces an impact report, which demonstrates the impact of our services on our community, how our services are provided and the priorities for the coming year. It will be available on our website.

ACHIEVEMENTS AND PERFORMANCE

a. HOW WE DELIVER OUR ACTIVITIES

Staff

Hospiscare is able to deliver its activities because it has a committed and skilled workforce of staff and volunteers. It employs 184 whole time equivalent staff, which comprises 259 people, across the charity and the trading company.

The priorities for the year have been to ensure the wellbeing of our staff, with those working at home as well as those continuing to provide the services that we offer. Further work was undertaken on the job evaluation process and development of the HR Information system.

**TRUSTEES REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021**

The HR team support and coach line managers, as well as carrying out administrative functions efficiently to support employment contracts and changes, recruitment and the HR information system.

Learning and Development

Learning and development is committed to ensuring that our own workforce is fit for purpose, now and in the future, and that we empower others locally to provide sensitive and skilled end of life care. Delivery of clinical skills and updates for our staff and for care partners such as nursing home teams, NHS and social care colleagues, carers and patients' family members, is via L&D team members and our Clinical Nurse Specialist team. The team deliver training sessions on subjects such as, dementia awareness, Advanced communication skills to nurses and doctors, syringe driver training, mental health awareness and verification of death. A total of 689 places were filled by learners and we ran 79 courses.

We support learners by offering placements to nursing and medical students, providing mentorship, supervision and support, and developmental roles for staff that enable them to have a career pathway at Hospiscare. We enable staff to develop specialist skills in clinical examination and prescribing, as well as advanced communication skills, and we offer a range of specialist masterclasses.

The team delivers statutory and mandatory training, designated as 'Safe to go' training and 'Annual Updates' respectively, to ensure the safe delivery of service and care at Hospiscare. Every job role has tailored basic training and updating requirements in place and compliance is monitored. 66% of staff have completed their statutory training and 75% their mandatory training. The completion rates were affected by the continuing Covid-19 crisis. The welcome day runs 4 times a year, which ensures new staff are aware of our values and services to enable them to become ambassadors for Hospiscare.

Volunteers

Hospiscare has 890 volunteers and would not be able to offer its range and quality of services without the committed and dedicated support from them; their hard work, generosity of time, skills and high standards remain the hallmark of Hospiscare. They bring empathy and compassion mixed with a cheerful spirit and a 'can do' attitude. Many volunteers work alongside the nurses on the front line, from assisting patients at mealtimes to learning more about using patient equipment or understanding the impact of dementia in patient care.

Volunteers fundraise; working in shops and in support groups. They drive patients to appointments, welcome visitors to the hospice, keep the gardens trim and make floral arrangements, help with administration, and visit patients at home offering emotional support and a listening ear. Volunteer complementary therapists and trained bereavement volunteers not only support patients but families and carers too. Hospiscare's Trustees make sure that Hospiscare is well governed and is meeting the needs of the local population.

Very few of the tasks undertaken by volunteers are easy or straightforward. A kindly and well-timed cup of tea at the bedside can prompt a challenging conversation – as can a journey to the hospice with a volunteer driver. On average volunteers give nearly 3,200 hours of their time every week to Hospiscare. This is equivalent to 85 full time posts and represents over £1.3 million of support each year.

Hospiscare's Trustees are truly grateful for this incredible voluntary support which significantly enhances the experience of patients and families at Hospiscare. During the current year, many volunteers were not able to continue with the work that they do for the charity, due to a variety of reasons. Our shops were shut for much of the year and restrictions were in place around patients in the IPU, while social distancing measures prevented many from seeing people at home.

TRUSTEES REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

Support Services and Facilities

Hospiscare's property portfolio has expanded over the years and the type of property we operate is very diverse; from a small high street shop to a large warehouse and a 12-bed clinical in-patient unit. The Estate team look after all the buildings, including all the planned and reactive maintenance, as well as the health, safety and welfare for all its staff, volunteers, patients and visitors.

One of the key targets for Hospiscare is to mitigate increasing energy costs and reduce carbon emissions, to that end we maintain a biomass boiler at Searle House alongside PV panels at Searle House and Kings House in Honiton. We are continuing to introduce LED lighting to many of our sites.

The increase in Information technology and the general expansion of hardware and software in the organisation also forms a large part of the department's workload; the Estates team manage the outsourced IT service as well as helping to deliver the key elements of the IT strategy including equipment replacement, cabling infrastructure upgrade, cyber security improvements as well as initiating tenders for services.

Income Generation

Fundraising

Hospiscare has continued to benefit from incredible support from individual donors, local businesses and charitable trusts in the last year, despite the pandemic. The hospice is extremely grateful for each and every donation and would like to take this opportunity to say thank you to anyone who has donated. An analysis of income is set out below:

	2020-21	2019-20
	£'000	£'000
Legacies	1,294	1,415
Support groups	24	67
Individual giving	437	375
In-memory giving	303	347
Events & challenges	245	286
Charitable trusts & foundations	362	230
Corporate donations	83	183
Lottery (gross)	600	663
Total fundraising Income	3,348	3,566

Our dedicated support groups have been incredibly creative to find ways to fundraise through the pandemic – including plant sales at end of driveways, pop-up shops, cream tea home deliveries and much more.

The local community has provided overwhelming support for our direct mail activity, regular giving and general donations through the pandemic.

We have seen a dip in in-memory giving, mainly due to the restrictions around funeral gatherings in person.

Though we haven't been able to put on our large events and challenges in the same way – we have turned them into virtual events.

Our lottery canvassers were not able to operate in the same way but tested digital marketing with some success.

Hospiscare takes pride in the way we raise funds to enable us to provide patient care. We are a member of the Fundraising Regulator, follow the Code of Fundraising Practice, registered with the Gambling Commission and with the Information Commissioner's Office.

Hospiscare also has a supporter promise (see below).

We promise:

- To spend your money responsibly and provide outstanding care for terminally ill patients and their families.
- To provide a friendly and honest approach by sharing stories of our work to demonstrate how your money has been spent.
- To communicate in a way that suits you. You decide whether you want to receive information about our services, fundraising and ways to support, and you decide how you want this delivered. So let us know your preferences, and if at any time you change your mind, please call 01392 688020 or email info@hospiscare.co.uk

TRUSTEES REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

- To never sell your data to any third party. Hospiscare values your support and respects your privacy. The data we gather and hold is managed in accordance with any statutory legislation and guidance from regulators.
- To be supportive, professional and aim to deal with enquires as quickly as we can. We aim to get it right first time, and if we don't we will explain why.
- To use fair and safe fundraising methods and ensure everyone is treated in a sensitive, respectful way.

To listen to your opinions and make necessary improvements to our work. We want to make sure we are working at our best and are very grateful for feedback. Please email info@hospiscare.co.uk or call 01392 688020 if you have any compliments or complaints.

Trading

Trading activities generated sales, including related Gift Aid, of £936k, significantly down on the previous year (£2.8m) because of the shops being closed for much of the year due to mandatory Covid-related retail shop lockdowns. When open, shops were restricted in the number of customers that could be accommodated due to social distancing restrictions. The trading company furloughed most of its employees when closed.

Other operating income totalled £983k (2020 - £240k) during the year, comprising £668k of government retail sector grants and furlough support, and £315k received in respect of a lockdown-related business interruption insurance claim.

Further performance comparisons with the prior year are uninformative due to the over-arching impact of the pandemic on sales activity.

Our house clearance service continues to develop and is well loved by local people and has an excellent reputation. The donated goods we acquire through the house clearance service are vital to the success of the shops. We are grateful to all our donors and customers for their continued support.

b. WHAT WE PLANNED TO DEVELOP AND CHANGE; WHAT WE ACHIEVED AND WHAT WE STILL NEED TO DO

Hospiscare's Trustees set the following objectives as part of their strategic plan for 2017 – 20 and this is how they have been progressed in the year being reported.

- 1. *Provide more care closer to home by extending the Hospiscare@Home service as finances allow***
Hospiscare@Home is still seen as the way forward for us to meet the needs of the patients in our area at the end of their lives. Due to the impact of COVID-19 these plans have been put on hold but will be kept under review for any opportunities that may arise, although it is not expected that these plans will be able to be resurrected until 2022-23.
- 2. *Extending our reach to more people with a life-threatening illness***
We have continued with our Admiral Nurse service and increased this to include a development role to support succession planning. They are working to provide specialist dementia support that families need through psychological support, expert advice and information to help families understand, cope and adapt to the changing situation of living with dementia. During this time training and support has been offered to professionals and families and given advice to Hospiscare staff and external agencies, with care homes being the biggest recipients.

Our partnership with RDEFT's cardiology team has continued to deliver a self-management education programme for patients and carers. This has included advice on symptom management, advance care planning, mutual support and complementary therapy. Our joint working has also led to a greater understanding of heart failure, palliative care and the development of a community of practice.

TRUSTEES REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

3. Support more people to live well by engaging with communities through our day services, volunteer care navigators and supporting carers and the bereaved

A new day services model was agreed during the current year, but due to Covid-19 restrictions, this has not yet been put into operation. This followed a rehabilitative approach with a newly designed Support Care Service to create a holistic palliative care service utilising a wide range of professions.

4. Maintain a hub of expertise with facilities that are fit for the future

During the year, Searle House has been operating under unusual circumstances. A temporary entrance for visitors to use was set up, which has proved successful at managing people movements as they enter and exit the building. The other site in Tiverton and Honiton have not held any day services, as noted elsewhere and has therefore enable nursing staff to operate with social distancing. Our Exmouth site has continued as a base for the Coastal Hospiscare@Home and CNS team.

5. Develop income generation to meet the charity's ambitions

The charity has continued to develop its fundraising activity, albeit without the usual type of events that are held. Further work has begun on researching other income generation opportunities to enable the charity to build a sustainable and resilient income.

6. Develop a multi-skilled and flexible workforce

We developed a new Nursing Associate role through an apprenticeship with Plymouth University and we are working with the RD&E hospital to train nursing and medical students. Our specialist nurses are now trained in Non-Medical Prescribing and our Learning and Development department continue to run courses for our own staff and other health and care providers.

7. Further improve responsiveness to patients through the use of technology

The introduction in 2019 of our electronic patient system proved insightful in light of the Covid-19 pandemic. The system allowed us to manage and run virtual consultations with patients, where appropriate. This was an addition to the range of communication channels that operate and is one that will be continued and built on as we move forward.

The system also allows the analysis of data to better inform where to focus our resources and ensure that we provide the best possible value from the money that is raised. The Trustees agreed a new three-year strategy in March 2021 and the main objectives are set out below. This strategy will be reviewed every year to ensure its continued relevance and the strategy will be rolled forward on each occasion.

c. STRATEGIC INTENTIONS 2021-24

The strategic aims of the charity support the objectives as laid out in its Articles of Association and noted at the beginning of this report.

We will achieve this by:

- Utilise our 5 ways of working and new referral criteria
- Reach out to the clinical commissioners, involvement with the Devon Integrated Care System
- Run advanced care planning sessions across our communities
- Work with GPs and their networks, share how we work and how we can work together
- Go out into our communities and build on ambassadors and fundraising collaborative
- Build teams that feel valued and appreciated
- Ensure the charity is well led by people who have the competency to do so,
- A lean and productive framework of systems and procedures.

All areas of the charity will work to support the provision of the above and to ensure that the objectives of the charity are achieved.

**HOSPISCARE
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021**

d. WORKING WITH OTHERS

Hospiscare works with a number of partners in the statutory and voluntary sectors. This includes networking with neighbouring hospices.

The charity works closely with its partner Hospiscare charity in Budleigh Salterton and District. The charity funds the community nurses that Hospiscare employs in that area and they contribute to other services, including the Hospiscare@Home service in Exmouth and Budleigh Salterton.

Hospiscare provides the staffing for the Hospiscare@Home service in Seaton and Axminster, which is funded by the Seaton and District Hospital League of Friends and The League of Friends of Axminster Hospital.

Hospiscare works closely with the RDEFT, providing the specialist palliative care medical input to the hospital; working together on our programme to support people living with heart failure and taking 20% of admissions to our IPU from the hospital.

The charity supports the Exeter Medical School through providing placements for year 4 medical students at the hospice and its clinicians meet significant teaching commitments at the School for which the charity is paid.

Hospiscare is a member of Hospice UK and values its advice and support.

The charity has strong links to the local business community and is a member of Exeter Chamber of Commerce.

FINANCIAL REVIEW

a. GOING CONCERN

After making appropriate enquiries, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

HOSPISCARE
(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

b. FINANCIAL POSITION AT YEAR-END

The financial statements show the consolidated financial position of the charitable company (the charity) and its subsidiary company, Hospiscare (Shops) Limited ('the trading company') (collectively 'the group'). At 31 March 2021 the net assets of the group were £12,690k (2020 - £11,923k) an increase of £767k during the year.

Net assets comprise:

	2020-21	2019-20
	£'000	£'000
Fixed assets		
Tangible fixed assets	4,784	4,970
Investments	6,130	5,181
	<u>10,914</u>	<u>10,151</u>
Current assets		
Stocks	13	18
Debtors	1,043	915
Cash	1,633	1,582
	<u>2,689</u>	<u>2,516</u>
Less: creditors & provisions		
Creditors	742	607
Provisions	171	137
	<u>913</u>	<u>744</u>
Net assets	<u>12,690</u>	<u>11,923</u>

Tangible fixed assets mainly comprise the depreciated cost of the charity's hospices and the plant, fixtures and fittings therein.

Investments comprise two investment portfolios managed by external professional investment managers and investment properties.

The group's cash balances are receivable on demand and are held in sterling by leading UK banks and financial institutions.

Debtors and creditors represent normal working capital items.

Provisions represent the expected cost of future lease dilapidations in respect of the shops estate operated by the trading company.

The principal change in the composition of net assets during the year was an increase in investments (£949k), primarily due to the recovery of the markets during the year following the falls at the start of the pandemic in March 2020. Cash balances remain high at the year-end, to ensure working capital availability during the Covid-19 crisis and to cover anticipated budget deficits.

HOSPISCARE
(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

c. FINANCIAL REVIEW AND SIGNIFICANT EVENTS

The principal items of the group's income and expenditure for the year were:

	2020-21	2019-20
	£'000	£'000
Income		
Exmouth & Lypstone transfer of assets	-	2,782
Fundraising, grants (inc. Gift Aid)	1,752	2,090
Legacy income	1,294	1,415
Government grants re Covid support	2,357	240
Trading (losses) profits from shops and lottery	(625)	378
NEW Devon CCG	1,198	1,291
Coastal Towns Homecare services	747	1,128
Other charitable income	217	149
Investment and other income	181	145
	<u>7,121</u>	<u>9,618</u>
Expenditure		
Charitable activities	6,430	6,696
Fundraising (exc. trading costs)	856	866
	<u>7,286</u>	<u>7,562</u>
Operating (deficit) / surplus	(165)	2,056
Investment gains / (losses)	932	(640)
Net movement in funds	<u>767</u>	<u>1,416</u>

This has been a difficult year with underlying income (i.e. excluding the transfer of assets from Exmouth & Lypstone Hospiscare and Government support re Covid) falling by £1,832k from £6,596k to £4,764k.

The Trustees are grateful for this support which was received directly through furlough and retail grants and indirectly through Hospice (UK). We also launched an emergency appeal and our community responded generously. This has significantly offset income lost due to our inability to raise funds through physical events or to operate our shops for many months. As a result, the group has a relatively modest operating deficit for the year, which is a considerable achievement.

Fundraising income fell by 16% during the year, while fundraising costs decreased by 1%. This was mainly due to the difficult operating environment and the loss of events.

Legacy income fell by 9%. The amount and timing of legacies is unpredictable and funds are maintained to provide a buffer against unexpected shortfalls against budget.

Trading profits from the shops and lottery decreased by £1,003k, due to the closure of the shops for much of the year due to Covid restrictions. The loss of £625k is after the receipt of a business interruption insurance claim but excludes Government support received

**HOSPISCARE
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021**

Funding from NEW Devon CCG represents 13% (2019-20 – 10%) of total income, including gross trading income. However, there has been no significant increase in the underlying grant.

Income from Coastal Town Homecare services reduced due to changes in service levels. Costs reduced broadly in proportion to income.

All the above funding sources are primarily used to meet the direct cost of the charity providing services to patients and their families and necessary central costs.

Other expenditure decreased by £266k (4%), partially due to the curtailment of activities due to the pandemic. However, the group continues to face pressure on salary costs, both clinical and retail, as it seeks to ensure that it can attract the appropriate level of staff to continue to maintain and grow services and retail estate.

The charity's investment portfolios recovered in value following the falls at the start of the pandemic that impacted on the results last year. The investment gain for the year was £846k. The portfolios continue to be managed by external investment managers in line with our investment policy.

d. PRINCIPAL RISKS AND UNCERTAINTIES

The Trustees have considered the major risks to which the charity is exposed and have satisfied themselves that systems or procedures are established to manage those risks

The principal risks and uncertainties facing the charity and the Trustees' plans and strategies for managing those risks are set out in the table below. These are the current principal risks currently facing the charity but all risks are subject to review and will be amended and updated as needed.

Risk Title	Summary of control
Insufficient quality of care	Adherence to CQC regulation and statutory obligations. Systematic quality review and Audit. In-house monitoring by QAIC and PES. Robust systems and processes for clinical and care work
The impact of pandemic on Learning and Development Compliance	The risk of holding some training sessions physically was weighed against the risk of training not being undertaken and knowledge and skills becoming outdated. Alternative methods of supplying the training were investigated and put in place where appropriate and where it could be undertaken with some measure of a successful outcome.
The Charity not having enough money to ensure the continuation of services and levels of care	The annual budget process provides a detailed 12 month forecast of expected financial performance and allows the monitoring of actual results against the forecast. Outline longer term forecasts are also maintained and reviewed.

**HOSPISCARE
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021**

Risk Title	Summary of control
Care falls below required CQC standards and does not meet Hospiscare's ambition of excellence	Demonstrating effective corporate governance contributes to the mitigation of this risk. This is overseen by the CEO and company secretary. A board review in March/April 2021 will contribute to this effective with recommendations being made.
Potential Breach of legislation and guidelines/regulatory compliance	Appropriate policies and procedures put into place and updated as and when required so all staff and volunteers are aware of their obligations to uphold required legislation
Reduction/cessation of fundraising activities due to Covid-19 restrictions.	Changes to Covid-19 restrictions, local or national, may impact on our fundraising teams' ability to run and hold events, causing a reduction in our income.
Inability to recruit and retain appropriately skilled staff at the levels required to deliver Hospiscare Services	Collaborative working between HR and clinical leaders on Clinical Careers Days, and future initiatives planned for targeted recruitment campaigns.

An overarching risk of the Covid-19 crisis was added to our risk register, which affects all areas of Hospiscare. To deal with the crisis and to ensure swift and decisive action, a Gold Committee was formed consisting of the Chairs of all the sub-committee and a long serving Trustee. This committee met frequently and as required.

e. RESERVES AND RESERVES MANAGEMENT POLICY

The charity's reserves management policy has been reviewed by the Trustees during the year.

The Trustees distinguish between two primary classes of funds: those that are unrestricted in their use, which can be spent on any charitable purpose of the charity and those that are restricted in use (including endowments), which can only be lawfully used for a specific charitable purpose.

Unrestricted funds

Unrestricted funds are spent or applied at the discretion of the Trustees to further the purposes of the charity. The Trustees set aside part of the unrestricted funds to be used for specific purposes including the financing of capital assets, providing financial stability and funding future projects or commitments. At the year-end funds had been designated for the following purposes:

	2020-21	2019-20
	£'000	£'000
Financing current capital assets	4,388	4,573
Future property expenditure	-	534
Legacy income fluctuations	-	500
COVID-19 recovery and future deficits	1,800	1,500
Stability and working capital	3,000	-
	9,188	7,107

HOSPISCARE
(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

Further details are disclosed in note 20 to the financial statements.

The Trustees recognise that significant funds are required to finance the group's working capital requirements and to provide a buffer against unexpected shortfalls in income, particularly in respect of fundraising activities, legacies that are unpredictable in amount and timing and against falls in the value of the charity's investments.

The Trustees consider that to maintain the financial stability of the group and to meet the charity's objectives in an effective manner the group should maintain, as a minimum, funds amounting to:

	£'000
Working capital requirements	500
Shortfalls in fundraising income (c 6 months)	1,000
Shortfalls in legacy income (c 6 months)	850
Shortfalls in retail profits (c 12 months)	250
Falls in the value of the unrestricted investment portfolios	400
	3,000

Following the review of reserves, this amount has been designated as the 'Stability and working capital' fund.

At the year-end undesignated 'free' funds amounted to £810k (2020 - £2,011k).

Restricted and endowment funds

The only material restricted fund is the Exmouth & Lympstone fund of £2,271k (2020 - £2,448k). This will be used to provide future services to residents of that area. The fund largely comprises investments and fixed assets transferred on the merger in 2019.

Other restricted funds totalling £401k (2020 - £338k) are generally linked to specific short-term projects, which are being undertaken or about to commence.

Trustees are advised regularly about the level of reserves using a 'traffic lights' approach. These details are presented as part of the monthly management accounts.

Endowment funds amounted to £20k (2020 - £20k).

The level of funds held by the Trading Company is not considered to be material.

f. FUTURE INCOME STREAMS

The charity continues to be managed prudently recognising that economic growth remains fragile and uncertain in the wake of the Covid-19 pandemic.

The level of legacy income is always difficult to predict and based on the current 'pipeline' the amount received in 2021-22 is likely to be no more than that received in 2020-2021.

The Trustees recognise that the fundraising environment continues to be challenging, with events having to be held virtually or cancelled and have budgeted on this basis.

g. OTHER MATTERS

The majority of the charity's staff are members of the NHS Pension Scheme, which is an unfunded, multi-employer defined pension scheme. As such the charity is exposed to unpredictable changes in the scheme's funding rate. In 2018-19 it was announced that employer contributions to the scheme would be increased

**HOSPISCARE
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021**

from 14.38% to 20.68% for the 2019-20 financial year. This would have meant an increase of approximately £125k on our current pension contribution costs. Representations by Hospice UK to the Department for Health and Social Care resulted in the additional costs for 2019-20 being paid from central government funds rather than the hospices, and this arrangement is to continue for 2021-22.

STRUCTURE, GOVERNANCE AND MANAGEMENT

a. CONSTITUTION

Hospiscare is a registered charitable company limited by guarantee.

The charity is constituted under Articles of Association and is a registered charity, number 297798. The charity was set up in 1982 and was established as a company limited by guarantee in 1987. In the event of the company being wound up, members are required to contribute an amount of £1.

The company has a wholly-owned trading subsidiary Hospiscare (Shops) Limited (company number 02201730 (England & Wales), whose sole purpose is to raise funds for the charity by operating a chain of local charity shops and a warehouse.

b. METHOD OF APPOINTMENT OR ELECTION OF TRUSTEES

The Board seeks to ensure that it encompasses an appropriate range of skills and talent. Hospiscare's Nominations Committee oversees the recruitment of new Trustees, following the charity's policy on Trustee recruitment. Trustees are appointed by the Board and serve for 3 years after which period they may put themselves forward for re-appointment. Trustees may be appointed for a maximum of 3 consecutive terms of 3 years after which, they must stand down for at least one year. The Trustees also receive training on other topics relevant to governance and their committee membership.

c. POLICIES ADOPTED FOR THE INDUCTION AND TRAINING OF TRUSTEES

New Trustees are given an induction pack and undertake a comprehensive induction programme. This includes spending time with each of the services Hospiscare provides and visiting the shops. Trustees identify topics on which they would like further information or training and appropriate measures are put in place to provide this. A presentation about patient experience is made by clinical staff, anonymously, at the beginning of every Board meeting.

d. PAY POLICY FOR SENIOR STAFF

The charity has a Remuneration Committee, which reviews the pay and benefits of its senior staff annually. The committee comprises of up to six Trustees, one of which must be the Chair of Trustees. The committee considers information from a variety of available sources to benchmark the pay and benefits of its senior staff and makes recommendations to the Board accordingly.

e. ORGANISATIONAL STRUCTURE AND DECISION MAKING

Hospiscare is governed by its Board which met 6 times during 2020-21, including an 'away day' in March 2021. There are 6 sub committees of the Board which scrutinise specific areas in detail; these are the Finance and Income Generation Committee, the Assurance, Risk and Corporate Governance Committee, the Quality Assurance and Improvement Committee, the People and Estates Committee, the Nominations Committee and the Remuneration Committee.

The Interim Chair of the Trustees is Dr Helen Enright a retired GP from Exmouth. Helen was appointed as a trustee and Vice-Chair in November 2019, following the merger with Exmouth & Lymptone Hospiscare, where she was Chair, and was appointed Interim Chair of Hospiscare in April 2021.

**HOSPISCARE
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021**

The operational management of the charity lies with the Senior Management Team (SMT). The SMT meets monthly.

Hospiscare (Shops) Limited is managed by its Board of Directors comprising a Trustee of the charity, members of the charity's senior management team and non-executive directors with relevant experience

Hospiscare has reviewed the 2018 Charity Governance Code and aspires to meet its principles.

f. RISK MANAGEMENT

The responsibility for the management and control of a charity rests with the Trustee body and therefore their involvement in the key aspects of the risk management process is essential, particularly in setting the parameters of the process and reviewing and considering the results

The corporate risk register is reviewed at all committees and by the Board and the Assurance, Risk and Corporate Governance Committee annually. Departmental risks are reviewed by SMT and appropriate departments. Update reports will be presented to Committees and the Board.

The trading company also has a corporate and departmental risk register and its Board reviews this at each meeting.

The new Hospiscare risk framework was implemented in 2020 after a review by the Head of Governance and Data Protection. There is a new risk management policy and the risk register are managed by an electronic data management system.

Bi-monthly risk surgeries are carried out with the Directors and Head of Retail to ensure the risks are kept up to date and managed.

The Board has considered risk appetite and recognise that the charity's long-term sustainability depends upon the delivery of its strategic objectives and its relationships with patients, supporters, the local community and strategic partners.

Hospiscare will not accept risks that materially impact on patient safety. However, Hospiscare has a greater appetite to take considered risks in terms of their impact on organisational issues and reputation. Hospiscare has appetite to pursue innovation and to take opportunities where positive gains can be anticipated, within the constraints of the regulatory environments.

Hospiscare is compliant with all relevant legal, statutory and regulatory standards. It has followed Charity Commission guidance and complies with Principle 4 of the Charity Governance Code, Decision making, Risk and Control.

It has updated its information governance and security in line with the General Data Protection Regulation (GDPR) and has appointed a Data Protection Officer who is the Head of Governance and Data Protection.

The Senior Information Risk Owner (SIRO) role is held by the Director of Estates and Facilities with overall responsibility for the charity's information risk policy. The SIRO is accountable and responsible for information risk across the organisation

g. RELATIONSHIPS BETWEEN THE CHARITY AND ITS SUBSIDIARY COMPANY

The Articles of Association of Hospiscare (Shops) Limited give the charity power to control the decisions of that company.

h. INVESTMENT POLICY, PERFORMANCE & OBJECTIVES

i. ASSET ALLOCATION

Hospiscare is reliant on fundraising and donations for its activities. Its funds are principally held as investments and cash. The key risk to long-term reserves in the long-term is inflation and the assets are

**HOSPISCARE
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021**

invested to mitigate this risk over the long term. The Trustees understand that this is likely to mean that investments will be concentrated in real assets and that their capital value will fluctuate.

The investment portfolios are split into two risk profiles defined by the managers as, 'low risk' and 'low-medium risk', with the ratio and profile reviewed and monitored by the Finance and Income Generation Committee and approved by the Board. The risk profile is determined to mitigate the key risk of inflation. The investment portfolio transferred from Exmouth & Lymptstone Hospiscare is classified as medium risk with an income portfolio objective.

The Charity's assets can be invested widely and should be diversified by asset class, by fund manager and by security. Asset classes may include cash, bonds, equities, property, hedge funds, structured products, private equity, commodities and any other asset that is deemed suitable for the charity.

The asset class invested in are decided by external professional investment managers according to the risk profile determined by the Trustees.

Short term reserves are held to provide financial security, as they may be required at short notice. As such, capital volatility cannot be tolerated and these assets are maintained in cash with highly rated banks and financial institutions.

ii. BENCHMARKING

Performance of the portfolios is measured against an agreed index plus a performance premium. The indices used and the performance premium are reviewed by the Finance and Income Generation Committee in discussion with the appointed investment manager. A recommendation will then be made to the Board for approval.

iii. METHOD OF REVIEW

The Trustees have delegated their day-to-day investment responsibilities to Charles Stanley and Company Limited and Investec on a discretionary basis. The charity's investments are kept under regular review by the Finance and Income Generation Committee, which is advised by the investment portfolio managers, with a view to ensuring that the charity's investments are positioned to meet the strategy detailed in the investment policy. The Board considers a report on investment performance at least annually.

iv. RESTRICTIONS AND ETHICAL POLICY

The Trustees take account of social, environmental and ethical issues in the charity's investment policy and endeavour not to invest in companies that draw a major part of their income from tobacco related products.

TRUSTEES' RESPONSIBILITIES STATEMENT

The Trustees (who are also directors of Hospiscare for the purposes of company law) are responsible for preparing the Trustees' report (including the group strategic report) and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company and charity law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and the group, and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the Trustees are required to:

select suitable accounting policies and then apply them consistently

**HOSPISCARE
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021**

observe the methods and principles in the Charities' SORP

make judgments and accounting estimates that are reasonable and prudent

prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable group will continue in operation.

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

DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

So far as that Trustee is aware, there is no relevant audit information of which the charitable group's auditors are unaware, and

that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any information needed by the charitable group's auditors in connection with preparing their report and to establish that the charitable group's auditors are aware of that information.

This report, incorporating the group strategic report, was approved by the Trustees, in their capacity as company directors, on _____ and signed on their behalf by:



HM Enright
Interim Chair of Trustees

**HOSPISCARE
(A COMPANY LIMITED BY GUARANTEE)**

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HOSPISCARE

Opinion

We have audited the financial statements of Hospiscare (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 Consolidated balance sheet, the Charity balance sheet, the Consolidated statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent charitable company's affairs as at 31 March 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; 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HOSPISCARE (CONTINUED)

Other information

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

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' report including the Strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report and the Strategic report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report including the Strategic report.

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

- the parent charitable company has not kept adequate and sufficient accounting records, 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 Trustees' responsibilities statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Group's and 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HOSPISCARE (CONTINUED)

Auditors' 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 Auditors' 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:

We have considered:

- the nature of the sector, control environment and business performance;
- results of our enquiries of management and the trustees, about their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the charity's documentation of their 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 of fraud or non-compliance with laws and regulations;
- the matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud. As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud, which included incorrect recognition of revenue, management override of controls using manual journal entries, purchase ledger, and identified the greatest potential for fraud as incorrect recognition of revenue, lease and dilapidations, consideration of restricted income, compliance with laws and regulations and management override using manual journal entries.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We have also obtained an understanding of the legal and regulatory frameworks that the charity operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the Charities Commission, UK Companies Act, FRS 102 and UK tax legislation. 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 may be fundamental to the charity's ability to operate or avoid a material penalty. These included data protection legislation, health and safety regulations, and employment law.

Our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- reviewing the financial statement disclosures and testing to supporting documentation to assess the recognition of revenue, in line with longer term contract accounting methodologies;
- enquiring of trustees and management concerning actual and potential litigation and claims;
- performing procedures to confirm material compliance with the requirements of the above regulations;
- performing 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, testing the appropriateness of journal entries and other adjustments; assessing whether the judgments made in accounting estimates are indicative of potential bias; and evaluating the business rationale of significant transactions that are unusual or outside the normal course of business.
- reviewed a sample of income transactions to supporting documentation to ascertain whether correct

**HOSPISCARE
(A COMPANY LIMITED BY GUARANTEE)**

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HOSPISCARE (CONTINUED)

- classification has been used.
- reviewed key information relating to correct leases and reperformed the calculations.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

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

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

Use of our report

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



Tim Borton FCA DChA (Senior statutory auditor)

for and on behalf of
Bishop Fleming LLP

Chartered Accountants
Statutory Auditors
2nd Floor Stratus House
Emperor Way
Exeter Business Park
Exeter

EX1 3QS

Date:

22 December 2021

HOSPISCARE
(A COMPANY LIMITED BY GUARANTEE)

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2021**

	Note	Endowment funds 2021 £	Restricted funds 2021 £	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
INCOME AND ENDOWMENTS FROM:						
Donations and legacies:	4					
Transfer in Hospiscare Exmouth & Lymptone		-	-	-	-	2,782,307
Other donations and legacies		-	462,317	2,583,684	3,046,001	3,505,424
Charitable activities	5	-	75,000	2,086,327	2,161,327	2,567,305
Other trading activities	6	-	-	1,536,471	1,536,471	3,419,889
Investments	7	-	64,014	75,559	139,573	96,433
Other income	8	-	-	2,398,732	2,398,732	289,431
TOTAL INCOME AND ENDOWMENTS		-	601,331	8,680,773	9,282,104	12,660,789
EXPENDITURE ON:						
Raising funds	9	-	-	3,016,972	3,016,972	3,908,733
Charitable activities		-	1,307,121	5,123,245	6,430,366	6,695,754
TOTAL EXPENDITURE		-	1,307,121	8,140,217	9,447,338	10,604,487
NET (EXPENDITURE)/INCOME BEFORE NET GAINS/(LOSSES) ON INVESTMENTS						
		-	(705,790)	540,556	(165,234)	2,056,302
Net gains/(losses) on investments		-	347,288	585,116	932,404	(640,075)
NET (EXPENDITURE)/INCOME						
		-	(358,502)	1,125,672	767,170	1,416,227
Transfers between funds	20	-	245,574	(245,574)	-	-
NET MOVEMENT IN FUNDS		-	(112,928)	880,098	767,170	1,416,227

**HOSPISCARE
(A COMPANY LIMITED BY GUARANTEE)**

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND
EXPENDITURE ACCOUNT) (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021**

	Endowment funds 2021 £	Restricted funds 2021 £	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
RECONCILIATION OF FUNDS:					
Total funds brought forward	20,000	2,785,554	9,117,410	11,922,964	10,506,737
Net movement in funds	-	(112,928)	880,098	767,170	1,416,227
TOTAL FUNDS CARRIED FORWARD	<u>20,000</u>	<u>2,672,626</u>	<u>9,997,508</u>	<u>12,690,134</u>	<u>11,922,964</u>

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

The notes on pages 30 to 55 form part of these financial statements.

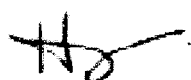
HOSPISCARE
(A COMPANY LIMITED BY GUARANTEE)
REGISTERED NUMBER:02164215

CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2021

	Note	2021 £	2020 £
FIXED ASSETS			
Tangible assets	14	4,784,336	4,969,744
Investments	16	5,759,645	4,897,008
Investment property	15	370,000	283,838
		<u>10,913,981</u>	<u>10,150,590</u>
CURRENT ASSETS			
Stocks		12,786	18,474
Debtors	17	1,043,230	915,251
Cash at bank and in hand		1,632,908	1,581,885
		<u>2,688,924</u>	<u>2,515,610</u>
Creditors: amounts falling due within one year	18	(742,056)	(606,791)
		<u>1,946,868</u>	<u>1,908,819</u>
NET CURRENT ASSETS			
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>12,860,849</u>	<u>12,059,409</u>
Provisions for liabilities		(170,715)	(136,445)
TOTAL NET ASSETS		<u><u>12,690,134</u></u>	<u><u>11,922,964</u></u>
CHARITY FUNDS			
Endowment funds	20	20,000	20,000
Restricted funds	20	2,672,626	2,785,554
Unrestricted funds	20	9,997,508	9,117,410
TOTAL FUNDS		<u><u>12,690,134</u></u>	<u><u>11,922,964</u></u>

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the Trustees on and signed on their behalf by:



HM Enright
 (Interim Chair of Trustees)

The notes on pages 30 to 55 form part of these financial statements.

HOSPISCARE
(A COMPANY LIMITED BY GUARANTEE)
REGISTERED NUMBER:02164215

CHARITY BALANCE SHEET
FOR THE YEAR ENDED 31 MARCH 2021

	Note	2021 £	2020 £
FIXED ASSETS			
Tangible assets	14	4,681,391	4,832,848
Investments	16	5,869,647	5,007,010
Investment property	15	370,000	283,838
		<u>10,921,038</u>	<u>10,123,696</u>
CURRENT ASSETS			
Stocks		-	574
Debtors	17	1,142,525	990,991
Cash at bank and in hand		1,305,423	1,175,231
		<u>2,447,948</u>	<u>2,166,796</u>
Creditors: amounts falling due within one year	18	(675,064)	(491,865)
		<u>1,772,884</u>	<u>1,674,931</u>
NET CURRENT ASSETS		1,772,884	1,674,931
TOTAL ASSETS LESS CURRENT LIABILITIES		12,693,922	11,798,627
TOTAL NET ASSETS		12,693,922	11,798,627
CHARITY FUNDS			
Endowment funds	20	20,000	20,000
Restricted funds	20	2,586,464	2,785,554
Unrestricted funds	20	10,087,458	8,993,073
		<u>12,693,922</u>	<u>11,798,627</u>
TOTAL FUNDS		12,693,922	11,798,627

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the Trustees on and signed on their behalf by:



HM Enright
 (Interim Chair of Trustees)

The notes on pages 30 to 55 form part of these financial statements.

HOSPISCARE
(A COMPANY LIMITED BY GUARANTEE)

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2021

	2021 £	2020 £
CASH FLOWS FROM OPERATING ACTIVITIES		
Net cash used in operating activities	4,014	(737,363)
CASH FLOWS FROM INVESTING ACTIVITIES		
Dividends, interests and rents from investments	139,573	96,433
Purchase of tangible fixed assets	(73,748)	(200,851)
Loss on sale of tangible fixed assets	8,015	-
Proceeds from sale of investments	163,460	1,542,349
Purchase of investments	(190,291)	(1,405,161)
NET CASH PROVIDED BY INVESTING ACTIVITIES	47,009	32,770
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash on transfer of donated assets	-	473,558
NET CASH PROVIDED BY FINANCING ACTIVITIES	-	473,558
CHANGE IN CASH AND CASH EQUIVALENTS IN THE YEAR	51,023	(231,035)
Cash and cash equivalents at the beginning of the year	1,581,885	1,812,920
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	1,632,908	1,581,885

The notes on pages 30 to 55 form part of these financial statements

**HOSPISCARE
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

1. GENERAL INFORMATION

The charity is a company limited by guarantee, incorporated in England in the United Kingdom. Its registered office is Searle House, Dryden Road, Exeter, EX2 5JJ. The members of the company are the Trustees names on page 1. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

2. ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - 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 Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Hospiscare meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The Consolidated statement of financial activities (SOFA) and Consolidated balance sheet consolidate the financial statements of the Group and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

The Group has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of financial activities in these financial statements.

2.2 GOING CONCERN

The Trustees have assessed whether the use of the going concern basis is appropriate and have considered possible events or conditions that might affect the ability of the Charity to continue as a going concern. The Trustees have made this assessment for a period of at least one year from the date of approval of the financial statements.

The Trustees have made appropriate enquiries and have considered the impact of the COVID-19 pandemic on income, expenditure and reserves in the period to 31 March 2021. In particular, they have considered the severe curtailment of traditional fundraising activities due to government restrictions and the impact on net income. This information and experience has been used to inform the forecasts for the forthcoming year and beyond. As a result, the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. The Charity therefore continues to adopt the going concern basis in preparing its financial statements.

2. ACCOUNTING POLICIES (continued)

2.3 FUND ACCOUNTING

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Group and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Group for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

2.4 INCOME

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

Income from grants is included in incoming resources when receivable. When donors specify that grants are for a particular restricted purpose, which do not amount to pre-conditions regarding entitlement, this income is included in incoming resources within restricted funds when receivable.

When income is received in advance of delivering the service it is deferred until the Trust is entitled to that income.

Investment income is brought into the accounts when it is received.

Lottery income is accounted for based on the date of the lottery for which the ticket has been purchased.

2. ACCOUNTING POLICIES (continued)

2.5 EXPENDITURE

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on raising funds includes all expenditure incurred by the Group to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Group's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

2.6 INTEREST RECEIVABLE

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Group; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

2.7 TANGIBLE FIXED ASSETS AND DEPRECIATION

Tangible fixed assets costing £2,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

At each reporting date the Charity assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined to be the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following bases:

Freehold Buildings	- 2% straight line
Leasehold Land & Buildings	- 2% straight line or over the term of the lease
Plant and machinery	- 20% straight line
Motor Vehicles	- 20% straight line
Equipment, Fixtures & Fittings	- 15-33% straight line

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

2. ACCOUNTING POLICIES (continued)

2.8 INVESTMENTS

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Consolidated statement of financial activities.

Investments in subsidiaries are valued at cost less provision for impairment.

2.9 STOCKS

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a weighted average basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

FRS 102 recommends that goods donated for resale are valued. However, estimating the fair value of donated goods for resale is impractical for the company because of the high level of low value items received. The directors have therefore determined that no meaningful valuation can be made and no value has been assigned to the stock of donated goods.

2.10 DEBTORS

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

2.11 CASH AT BANK AND IN HAND

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

2.12 LIABILITIES

Liabilities and provisions are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Consolidated statement of financial activities as a finance cost.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

2. ACCOUNTING POLICIES (continued)

2.13 FINANCIAL INSTRUMENTS

The Group only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.14 PENSIONS

All staff who are eligible to remain within the NHS Pension Scheme do so. The NHS Pension Scheme is an unfunded, multi-employer defined benefit pension scheme. The company, like similar employers in this sector, is unable to identify its share of the underlying assets and liabilities in the scheme and therefore, as required by FRS 102, accounts for this scheme as if it was a defined contribution scheme. Contributions are paid to the scheme by the group and by employees.

Additionally the group operates a further defined contribution pension scheme for other regular staff. The pension charge represents the amounts payable by the group to the fund in respect of the year.

3. CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGMENT

In the application of the group'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.

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are outlined below.

Useful economic lives of tangible assets

The annual depreciation charge is sensitive to any changes in the estimated useful life and residual values of tangible assets. The useful economic lives and residual value is assessed on an annual basis and are amended only when evidence shows a change in the estimated economic lives or residual life. Criteria used to assess the economic life and residual value includes technological advancement, economic utilisation, physical condition of the asset and future investments.

Dilapidations

The dilapidation provision is assessed on a lease-by-lease basis, calculated as a proportion of the annual rent in light of previous experience of actual dilapidation costs. The provision accrues over the term of the lease.

**HOSPISCARE
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

4. INCOME FROM DONATIONS AND LEGACIES

	Restricted funds 2021 £	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Transfer of assets	-	-	-	2,782,307
Donations and fundraising	23,692	1,046,854	1,070,546	1,311,445
Legacies	115,793	1,177,970	1,293,763	1,414,836
Grants	322,832	194,638	517,470	666,674
Gift Aid	-	164,222	164,222	112,469
TOTAL 2021	<u>462,317</u>	<u>2,583,684</u>	<u>3,046,001</u>	<u>6,287,731</u>
TOTAL 2020	<u>3,220,085</u>	<u>3,067,646</u>	<u>6,287,731</u>	

5. INCOME FROM CHARITABLE ACTIVITIES

	Restricted funds 2021 £	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Education	-	118,701	118,701	141,627
NEW Devon CCG	-	1,197,960	1,197,960	1,191,293
Health System Led Investment	75,000	-	75,000	6,667
Coastal Towns Homecare Services	-	747,056	747,056	1,127,718
Primary Care Grant	-	-	-	100,000
Continuing Health Care Funding	-	22,610	22,610	-
TOTAL 2021	<u>75,000</u>	<u>2,086,327</u>	<u>2,161,327</u>	<u>2,567,305</u>
TOTAL 2020	<u>106,667</u>	<u>2,460,638</u>	<u>2,567,305</u>	

**HOSPISCARE
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

6. INCOME FROM OTHER TRADING ACTIVITIES

Income from non charitable trading activities

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Hospiscare Shops	936,497	936,497	2,757,015
Lottery	599,974	599,974	662,874
	<u>1,536,471</u>	<u>1,536,471</u>	<u>3,419,889</u>
	<u>3,419,889</u>	<u>3,419,889</u>	
TOTAL 2020	<u>3,419,889</u>	<u>3,419,889</u>	

7. INVESTMENT INCOME

	Restricted funds 2021 £	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Rental income	14,644	-	14,644	4,542
Income on investments	49,370	74,495	123,865	89,303
Income on cash deposits	-	1,064	1,064	2,588
	<u>64,014</u>	<u>75,559</u>	<u>139,573</u>	<u>96,433</u>
	<u>30,463</u>	<u>65,970</u>	<u>96,433</u>	
TOTAL 2020	<u>30,463</u>	<u>65,970</u>	<u>96,433</u>	

HOSPISCARE
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

8. OTHER INCOME

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Government grants and insurance claims receivable relating to COVID-19	2,355,964	2,355,964	240,000
Catering income	7,800	7,800	19,098
Renewable energy income	30,045	30,045	22,749
Property insurance income	4,923	4,923	7,584
	<u>2,398,732</u>	<u>2,398,732</u>	<u>289,431</u>
TOTAL 2020	<u>289,431</u>	<u>289,431</u>	

9. EXPENDITURE ON RAISING FUNDS

Costs of raising voluntary income

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income from donations and legacies - direct costs	180,029	180,029	189,990
Income from donations and legacies - direct costs - wages and salaries	369,892	369,892	374,419
Income from donations and legacies - direct costs - NI	31,199	31,199	32,011
Income from donations and legacies - direct costs - pension costs	23,849	23,849	25,239
Support costs - fundraising	250,705	250,705	244,711
TOTAL 2021	<u>855,674</u>	<u>855,674</u>	<u>866,370</u>
TOTAL 2020	<u>866,370</u>	<u>866,370</u>	

**HOSPISCARE
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

9. EXPENDITURE ON RAISING FUNDS (CONTINUED)

Other trading expenses

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Hospiscare Shops expenditure	848,598	848,598	1,230,251
Lottery expenditure	126,814	126,814	282,987
Staff costs	1,143,006	1,143,006	1,484,682
Hospiscare Shops depreciation	42,695	42,695	44,443
Administration expenses	185	185	-
TOTAL 2021	<u>2,161,298</u>	<u>2,161,298</u>	<u>3,042,363</u>
TOTAL 2020	<u>3,042,363</u>	<u>3,042,363</u>	

Staff costs are made up of £1,069,649 (2020: £1,403,798) attributable to Hospiscare Shops expenditure and £73,357 (2020: £80,884) attributable to Lottery expenditure.

Costs of raising voluntary income £855,674 and other trading expenses £2,161,298 total £3,016,972 (2020: £3,908,733).

10. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Activities undertaken directly 2021 £	Support costs 2021 £	Total funds 2021 £	Total funds 2020 £
In Patient Unit	2,325,278	890,432	3,215,710	3,264,628
Community Nursing Services	2,086,862	838,504	2,925,366	2,949,346
Day Care Services	105,003	95,095	200,098	304,600
Education	44,672	44,520	89,192	177,180
	<u>4,561,815</u>	<u>1,868,551</u>	<u>6,430,366</u>	<u>6,695,754</u>
TOTAL 2020	<u>4,845,593</u>	<u>1,850,161</u>	<u>6,695,754</u>	

HOSPISCARE
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

10. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)

Analysis of direct costs

	In Patient Unit 2021 £	Community Nursing Service 2021 £	Day Care Services 2021 £	Education 2021 £	Total funds 2021 £	Total funds 2020 £
Staff costs	2,066,810	1,899,859	27,269	21,527	4,015,465	3,985,530
Medical Supplies	43,674	1,505	393	-	45,572	38,229
Bank Staff	88,120	75,087	12,366	667	176,240	276,574
Travel Expenses	1,854	42,970	-	407	45,231	98,883
Other Direct Costs	101,584	66,156	39,971	6,272	213,983	359,816
Administration & Overheads	23,236	1,285	25,004	15,799	65,324	86,561
	<u>2,325,278</u>	<u>2,086,862</u>	<u>105,003</u>	<u>44,672</u>	<u>4,561,815</u>	<u>4,845,593</u>
TOTAL 2020	<u><u>2,374,090</u></u>	<u><u>2,126,638</u></u>	<u><u>211,304</u></u>	<u><u>133,561</u></u>	<u><u>4,845,593</u></u>	

Analysis of support costs

	In Patient Unit 2021 £	Community Nursing Service 2021 £	Day Care Services 2021 £	Education 2021 £	Total funds 2021 £	Total funds 2020 £
Staff costs	532,195	501,193	56,836	26,573	1,116,797	988,813
Depreciation	86,890	81,829	9,280	4,399	182,398	195,381
Administration & Overheads	254,852	240,007	27,217	12,725	534,801	620,181
Catering	8,800	8,228	940	439	18,407	35,171
Governance	7,695	7,247	822	384	16,148	10,615
	<u>890,432</u>	<u>838,504</u>	<u>95,095</u>	<u>44,520</u>	<u>1,868,551</u>	<u>1,850,161</u>
TOTAL 2020	<u><u>890,538</u></u>	<u><u>822,708</u></u>	<u><u>93,296</u></u>	<u><u>43,619</u></u>	<u><u>1,850,161</u></u>	

Support costs are allocated based on staff numbers.

**HOSPISCARE
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

11. AUDITORS' REMUNERATION

	2021 £	2020 £
Fees payable to the Charity's auditor for the audit of the Charity's annual accounts	8,000	7,075
Fees payable to the Charity's auditor in respect of: The audit of the annual account of the charity's subsidiary undertakings	<u>5,400</u>	<u>4,575</u>

12. STAFF COSTS

	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
Wages and salaries	5,836,245	5,988,246	4,871,231	4,721,451
Social security costs	516,475	534,430	462,103	458,004
Pension costs	497,329	500,688	447,186	440,111
	<u>6,850,049</u>	<u>7,023,364</u>	<u>5,780,520</u>	<u>5,619,566</u>

The average number of persons employed by the Charity during the year was as follows:

	Group 2021 No.	Group 2020 No.	Charity 2021 No.	Charity 2020 No.
Doctors	10	7	10	7
Nurses	76	91	76	91
Health care assistants	22	26	22	26
Care managers	8	1	8	1
Chaplain	-	1	-	1
Volunteer co-ordinators	1	2	1	2
Fundraising staff	24	19	24	19
Administration	21	34	21	34
Trading	70	82	-	-
Lottery	4	3	4	3
Complementary therapies	2	3	2	3
Catering/cleaning	17	13	17	13
Education	5	4	5	4
	<u>260</u>	<u>286</u>	<u>190</u>	<u>204</u>

HOSPISCARE
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

12. STAFF COSTS (CONTINUED)

The average headcount expressed as full-time equivalents was:

	Group 2021 No.	Group 2020 No.	Charity 2021 No.	Charity 2020 No.
Employees	181	205	130	140

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	Group 2021 No.	Group 2020 No.
In the band £60,001 - £70,000	5	3
In the band £70,001 - £80,000	2	-
In the band £80,001 - £90,000	-	1
In the band £90,001 - £100,000	1	1
In the band £100,001 - £110,000	1	-

Key management personnel of the parent charity and group comprises the trustees and senior management team. The senior management team consists of the Chief Executive, the Finance Director, the Director of Care, the Director of Estates and Facilities, the Director of Income Generation, the Director of Workforce Development and the Head of Governance and Data Protection. The total employee benefits (including employer pension contributions and employer national insurance contributions) of the key management personnel were £519,323. (2020: £500,024). Although Trustees are within the definition of key management personnel, none of the remuneration reported relates to them.

13. TRUSTEES' REMUNERATION AND EXPENSES

During the year, no Trustees received any remuneration or other benefits (2020 - £NIL).

During the year ended 31 March 2021, expenses totalling £NIL were reimbursed or paid directly to the Trustees (2020: £719).

During the year, the total amount of donations received from the Trustees without restriction were £1,735 (2020: £2,812).

HOSPISCARE
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

14. TANGIBLE FIXED ASSETS

GROUP

	Freehold property £	Long-term leasehold property £	Short-term leasehold property £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Total £
COST OR VALUATION							
At 1 April 2020	2,294,976	3,828,760	-	295,752	31,050	1,121,011	7,571,549
Additions	-	-	9,725	15,200	-	48,823	73,748
Disposals	-	-	-	-	-	(11,450)	(11,450)
At 31 March 2021	<u>2,294,976</u>	<u>3,828,760</u>	<u>9,725</u>	<u>310,952</u>	<u>31,050</u>	<u>1,158,384</u>	<u>7,633,847</u>
DEPRECIATION							
At 1 April 2020	260,473	1,403,356	-	239,038	19,397	679,541	2,601,805
Charge for the year	38,627	61,010	-	21,940	3,210	126,354	251,141
On disposals	-	-	-	-	-	(3,435)	(3,435)
At 31 March 2021	<u>299,100</u>	<u>1,464,366</u>	<u>-</u>	<u>260,978</u>	<u>22,607</u>	<u>802,460</u>	<u>2,849,511</u>
NET BOOK VALUE							
At 31 March 2021	<u><u>1,995,876</u></u>	<u><u>2,364,394</u></u>	<u><u>9,725</u></u>	<u><u>49,974</u></u>	<u><u>8,443</u></u>	<u><u>355,924</u></u>	<u><u>4,784,336</u></u>
At 31 March 2020	<u><u>2,034,503</u></u>	<u><u>2,425,404</u></u>	<u><u>-</u></u>	<u><u>56,714</u></u>	<u><u>11,653</u></u>	<u><u>441,470</u></u>	<u><u>4,969,744</u></u>

HOSPISCARE
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

14. TANGIBLE FIXED ASSETS (CONTINUED)

GROUP (CONTINUED)

CHARITY

	Freehold property £	Long-term leasehold property £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Total £
COST OR VALUATION						
At 1 April 2020	2,294,976	3,796,040	295,752	31,050	832,203	7,250,021
Additions	-	-	15,200	-	41,789	56,989
At 31 March 2021	<u>2,294,976</u>	<u>3,796,040</u>	<u>310,952</u>	<u>31,050</u>	<u>873,992</u>	<u>7,307,010</u>
DEPRECIATION						
At 1 April 2020	260,473	1,371,768	239,038	19,397	526,497	2,417,173
Charge for the year	38,627	59,838	21,940	3,210	84,831	208,446
At 31 March 2021	<u>299,100</u>	<u>1,431,606</u>	<u>260,978</u>	<u>22,607</u>	<u>611,328</u>	<u>2,625,619</u>
NET BOOK VALUE						
At 31 March 2021	<u>1,995,876</u>	<u>2,364,434</u>	<u>49,974</u>	<u>8,443</u>	<u>262,664</u>	<u>4,681,391</u>
At 31 March 2020	<u>2,034,503</u>	<u>2,424,272</u>	<u>56,714</u>	<u>11,653</u>	<u>305,706</u>	<u>4,832,848</u>

**HOSPISCARE
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

15. INVESTMENT PROPERTY

Group

	Freehold investment property £
VALUATION	
At 1 April 2020	283,838
Surplus on revaluation	86,162
At 31 March 2021	<u>370,000</u>

Charity

	Freehold investment property £
VALUATION	
At 1 April 2020	283,838
Surplus on revaluation	86,162
At 31 March 2021	<u>370,000</u>

VALUATION

All investments are stated at market value at the year end based on market assessments by estate agents.

HOSPISCARE
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

16. FIXED ASSET INVESTMENTS

Group	Listed investments £
COST OR VALUATION	
At 1 April 2020	4,897,008
Additions	190,291
Disposals	(163,460)
Revaluations	835,806
AT 31 MARCH 2021	5,759,645
NET BOOK VALUE	
AT 31 MARCH 2021	5,759,645
AT 31 MARCH 2020	4,897,008

Charity	Investments in subsidiary companies £	Listed investments £	Total £
COST OR VALUATION			
At 1 April 2020	110,002	4,897,008	5,007,010
Additions	-	190,291	190,291
Disposals	-	(163,460)	(163,460)
Revaluations	-	835,806	835,806
AT 31 MARCH 2021	110,002	5,759,645	5,869,647
NET BOOK VALUE			
AT 31 MARCH 2021	110,002	5,759,645	5,869,647
AT 31 MARCH 2020	110,002	4,897,008	5,007,010

**HOSPISCARE
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

16. FIXED ASSET INVESTMENTS (CONTINUED)

PRINCIPAL SUBSIDIARIES

The following were subsidiary undertakings of the Charity:

Names	Company number	Included in consolidation	Holding
Hospiscare (Shops) Limited	02201730	Yes	100%
Hospiscare Exmouth & Lympstone	02927336	Yes	100%

The financial results of the subsidiary for the year were:

Name	Income £	Expenditure £	Profit/(Loss) / Surplus/ (Deficit) for the year £	Net assets £
Hospiscare (Shops) Limited	1,888,739	(2,016,864)	(128,125)	106,214

In the prior year Hospiscare Exmouth and Lympstone merged with Hospiscare and all operations, assets and liabilities of that charity were transferred to Hospiscare. Accordingly, after the date of the merger, there has been no income or expenditure recognised by Hospiscare Exmouth and Lympstone and its net assets at the year-end were nil.

17. DEBTORS

	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
DUE WITHIN ONE YEAR				
Trade debtors	237,492	76,119	245,909	96,208
Amounts owed by group undertakings	-	-	445,324	423,029
Other debtors	363,235	106,099	47,197	7,893
Prepayments and accrued income	442,503	733,033	404,095	463,861
	<u>1,043,230</u>	<u>915,251</u>	<u>1,142,525</u>	<u>990,991</u>

HOSPISCARE
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

18. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
Trade creditors	368,975	199,393	341,647	134,103
Other taxation and social security	122,115	130,938	111,406	113,503
Other creditors	91,734	98,602	62,779	66,401
Accruals and deferred income	159,232	177,858	159,232	177,858
	<u>742,056</u>	<u>606,791</u>	<u>675,064</u>	<u>491,865</u>
	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
Deferred income				
Deferred income at 1 April 2020	32,269	-	32,269	-
Resources deferred during the year	-	92,217	-	92,217
Amounts released from previous periods	(21,210)	(59,948)	(21,210)	(59,948)
	<u>11,059</u>	<u>32,269</u>	<u>11,059</u>	<u>32,269</u>

Deferred income relates to lottery tickets sold in advance.

19. PROVISIONS

Group and Charity

	Dilapidations £
At 1 April 2020	136,445
Additions	34,270
	<u>170,715</u>

DILAPIDATIONS

The dilapidations provision is based on the future expected repair costs required to restore the leased buildings to their fair condition at the end of their respective lease terms.

The Charity itself has no provision for dilapidations.

**HOSPISCARE
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

20. STATEMENT OF FUNDS

STATEMENT OF FUNDS - CURRENT YEAR

	Balance at 1 April 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2021 £
UNRESTRICTED FUNDS						
DESIGNATED FUNDS						
Capital	4,573,062	-	(393,664)	208,256	-	4,387,654
Stability & working capital	-	-	-	3,000,000	-	3,000,000
Property	533,500	-	-	(533,500)	-	-
Legacy reserve	500,000	-	-	(500,000)	-	-
COVID-19 reserve	1,500,000	-	-	300,000	-	1,800,000
	<u>7,106,562</u>	<u>-</u>	<u>(393,664)</u>	<u>2,474,756</u>	<u>-</u>	<u>9,187,654</u>
GENERAL FUNDS						
General reserves	2,010,848	8,680,773	(7,746,553)	(2,720,330)	585,116	809,854
TOTAL UNRESTRICTED FUNDS	<u>9,117,410</u>	<u>8,680,773</u>	<u>(8,140,217)</u>	<u>(245,574)</u>	<u>585,116</u>	<u>9,997,508</u>
ENDOWMENT FUNDS						
Endowment Funds	<u>20,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>20,000</u>

On 1 April 2009, under an arrangement agreed with the Charity Commission, the activities, assets and liabilities of a separate charity were merged with Hospiscare. £20,000 represents the permanent endowment capital. Income arising therefore is unrestricted.

RESTRICTED FUNDS

Medical Research fund	60,346	7,251	(4,105)	-	-	63,492
Dementia Project	-	20,000	(20,000)	-	-	-
Primary Care Grant - Palliative & End of Life Care	-	75,000	(75,000)	-	-	-
Healthy Aging Project	-	58,700	(58,700)	-	-	-

HOSPISCARE
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

20. STATEMENT OF FUNDS (CONTINUED)

STATEMENT OF FUNDS - CURRENT YEAR (continued)

	Balance at 1 April 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2021 £
Early referral research fund	47,940	-	-	-	-	47,940
Hospiscare Exmouth and Lympstone	2,447,537	117,878	(641,428)	-	347,288	2,271,275
Legacies	229,016	79,370	(308,386)	-	-	-
Other restricted funds	715	-	(715)	-	-	-
LGBT+ Project	-	24,055	(2,620)	-	-	21,435
Fundraising - Pine Lodge	-	8,814	(8,814)	-	-	-
Fundraising - Searle House	-	17,880	(17,880)	-	-	-
Fundraising - Kings House	-	18,603	(18,603)	-	-	-
Fundraising - Other	-	153,680	(150,870)	-	-	2,810
Hospicare @ Home	-	20,100	-	245,574	-	265,674
	<u>2,785,554</u>	<u>601,331</u>	<u>(1,307,121)</u>	<u>245,574</u>	<u>347,288</u>	<u>2,672,626</u>
TOTAL OF FUNDS	<u><u>11,922,964</u></u>	<u><u>9,282,104</u></u>	<u><u>(9,447,338)</u></u>	<u><u>-</u></u>	<u><u>932,404</u></u>	<u><u>12,690,134</u></u>

**HOSPISCARE
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

20. STATEMENT OF FUNDS (CONTINUED)

Designated funds

Capital

This fund represents the net book value of the tangible fixed assets employed by the group, excluding those held in restricted funds.

Stability and working capital

This fund was established during the year and includes the opening legacy fund (£500,000) and amounts previously identified within free reserves as 'core' (£1,600,000) and 'stability' (£667,000) but not designated. The fund is intended to provide a buffer for working capital requirements and against unexpected shortfalls in fundraising and legacy income and falls in the value of investments.

Property

This fund was intended to be used for future property expenditure but has been released as no major expenditure is now anticipated in the medium-term.

Legacy reserve

This fund was intended to reduce the impact of volatile legacy income on general reserves. It has now been absorbed into the stability and working capital fund.

COVID-19 reserve

This fund is intended to be used to finance anticipated deficits in the next two financial years (2020 – 18 months), as the charity recovers from the impact of COVID-19.

General reserves

This fund represents the free reserves of the charity and are available for general use.

Restricted funds

Exmouth & Lympstone Hospiscare

This fund represents the net assets remaining following the transfer of assets from Exmouth & Lympstone Hospiscare in 2019 and includes income and gains from the underlying assets. The fund will be used to meet the costs of palliative care for persons terminally ill in the Exmouth and Lympstone area and to support those patients and their families.

Hospiscare @ Home

This fund is to support the charity's plans to roll-out the service in the Mid-Devon area. During the year it was identified that income in the previous year for this restricted purpose was included within the general fund and a transfer has been made to reflect this.

Other restricted funds

These funds are held in respect of separately identified short-term projects, which are being undertaken or about to commence.

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 April 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2020 £
UNRESTRICTED FUNDS						
DESIGNATED FUNDS						
Capital	4,637,826	-	(265,615)	200,851	-	4,573,062

HOSPISCARE
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

20. STATEMENT OF FUNDS (CONTINUED)

STATEMENT OF FUNDS - PRIOR YEAR (CONTINUED)

	Balance at 1 April 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2020 £
Designated property fund	533,500	-	-	-	-	533,500
Hospiscare@Home	650,000	-	-	(650,000)	-	-
Legacy reserve	500,000	-	-	-	-	500,000
COVID-19 reserve	-	-	-	1,500,000	-	1,500,000
	<u>6,321,326</u>	<u>-</u>	<u>(265,615)</u>	<u>1,050,851</u>	<u>-</u>	<u>7,106,562</u>
GENERAL FUNDS						
General reserves	<u>3,736,294</u>	<u>9,303,574</u>	<u>(9,591,591)</u>	<u>(1,050,851)</u>	<u>(386,578)</u>	<u>2,010,848</u>
TOTAL UNRESTRICTED FUNDS	<u>10,057,620</u>	<u>9,303,574</u>	<u>(9,857,206)</u>	<u>-</u>	<u>(386,578)</u>	<u>9,117,410</u>
ENDOWMENT FUNDS						
Endowment Funds	<u>20,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>20,000</u>
RESTRICTED FUNDS						
Health System Led Investment	123,000	-	(123,000)	-	-	-
Medical Research fund	58,177	13,047	(10,878)	-	-	60,346
The Patrick and Marylla Tozer Fund	200,000	-	(200,000)	-	-	-
Early referral research fund	47,940	-	-	-	-	47,940
Other restricted funds	-	92,841	(92,126)	-	-	715
Hospiscare Exmouth & Lympstone	-	2,852,261	(151,227)	-	(253,497)	2,447,537
Primary care grant	-	100,000	(100,000)	-	-	-
Dementia project	-	46,050	(46,050)	-	-	-
IPU beds appeal	-	24,000	(24,000)	-	-	-
Legacies	-	229,016	-	-	-	229,016

HOSPISCARE
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

20. STATEMENT OF FUNDS (CONTINUED)

STATEMENT OF FUNDS - PRIOR YEAR (CONTINUED)

	Balance at 1 April 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2020 £
	429,117	3,357,215	(747,281)	-	(253,497)	2,785,554
TOTAL OF FUNDS	10,506,737	12,660,789	(10,604,487)	-	(640,075)	11,922,964

21. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR

	Endowment funds 2021 £	Restricted funds 2021 £	Unrestricted funds 2021 £	Total funds 2021 £
Tangible fixed assets	-	396,682	4,387,654	4,784,336
Fixed asset investments	-	1,636,074	4,123,571	5,759,645
Investment property	-	370,000	-	370,000
Current assets	20,000	269,870	2,399,054	2,688,924
Creditors due within one year	-	-	(742,056)	(742,056)
Provisions for liabilities and charges	-	-	(170,715)	(170,715)
TOTAL	20,000	2,672,626	9,997,508	12,690,134

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Endowment funds 2020 £	Restricted funds 2020 £	Unrestricted funds 2020 £	Total funds 2020 £
Tangible fixed assets	-	396,682	4,573,062	4,969,744
Fixed asset investments	-	1,374,948	3,522,060	4,897,008
Investment property	-	283,838	-	283,838
Current assets	20,000	735,686	1,759,924	2,515,610
Creditors due within one year	-	(5,600)	(601,191)	(606,791)
Provisions for liabilities and charges	-	-	(136,445)	(136,445)
TOTAL	20,000	2,785,554	9,117,410	11,922,964

HOSPISCARE
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

21. ANALYSIS OF NET ASSETS BETWEEN FUNDS (CONTINUED)

22. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	Group 2021 £	Group 2020 £
Net income for the year (as per Statement of Financial Activities)	767,170	1,416,221
ADJUSTMENTS FOR:		
Depreciation charges	251,141	265,615
Gains/(losses) on investments	(921,968)	684,167
Dividends, interests and rents from investments	(139,573)	(96,433)
Decrease in stocks	5,688	876
Increase in debtors	(126,322)	(184,571)
Increase/(decrease) in creditors	167,878	(40,937)
Transfer in of donated assets	-	(2,782,307)
NET CASH PROVIDED BY/(USED IN) OPERATING ACTIVITIES	4,014	(737,363)

23. ANALYSIS OF CASH AND CASH EQUIVALENTS

	Group 2021 £	Group 2020 £
Cash in hand	1,632,908	1,581,885
TOTAL CASH AND CASH EQUIVALENTS	1,632,908	1,581,885

24. ANALYSIS OF CHANGES IN NET DEBT

	At 1 April 2020 £	Cash flows £	At 31 March 2021 £
Cash at bank and in hand	1,581,885	51,023	1,632,908
	1,581,885	51,023	1,632,908

**HOSPISCARE
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

25. CONTINGENT ASSETS

Bequests are not recognised until Hospiscare has entitlement to the funds, the amount can be quantified and there is probability of receipt. The estimated value of legacies, not included as income in these accounts and which have been notified but not received as at 31 March 2021 was £702,611 (2020: £514,203).

26. PENSION COMMITMENTS

The Group pays contributions to a defined contributions pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund and amounted to £259,238 (2020: £273,679). Contributions totalling £46,704 (2020: £30,008) were payable to the fund at the balance sheet date and are included in creditors.

Additionally, the Charity pays contributions to the NHS Pension Scheme. Although the scheme provides defined benefits to members, it is an unfunded multi employer scheme, with no ongoing liability for the Charity beyond the level of employer contributions specified by the Scheme. Accordingly it is accounted for as if it was a defined contribution scheme. The pension cost charge represents contributions payable by the Group to the fund and amounted to £238,091 (2020: £227,009). Contributions totalling £16,472 (2020: £40,452) were payable to the fund at the balance sheet date and are included in creditors.

27. OPERATING LEASE COMMITMENTS

At 31 March 2021 the Group and the Charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
Not later than 1 year	314,060	351,644	302,485	334,406
Later than 1 year and not later than 5 years	846,307	1,038,799	846,307	1,038,799
Later than 5 years	164,428	373,797	164,428	373,797
	<u>1,324,795</u>	<u>1,764,240</u>	<u>1,313,220</u>	<u>1,747,002</u>

28. RELATED PARTY TRANSACTIONS

The charity is taking advantage of the exemption allowed under FRS102 from the requirement of Section 33 "Related Party Disclosures" not to disclose related party transactions with members of the group. There are no other related party transactions other than those disclosed earlier. There were no amounts outstanding from any Trustee at the year end.

**HOSPISCARE
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

29. SUBSIDIARY

Hospiscare (Shops) Limited

Subsidiary Name	Hospiscare (Shops) Limited
Company registration number	02201730
Basis of control	Subsidiary
Equity shareholding %	100%

Total assets as at 31 March 2021	828,520
Total liabilities as at 31 March 2021	(722,306)
Total Equity as at 31 March 2021	106,214

Turnover for the year ended 31 March 2021	1,888,739
Expenditure for the year ended 31 March 2021	(2,016,864)
Profit for the year ended 31 March 2021	(128,125)

